

2012/2013

Ubuntu Municipality
ANNUAL
REPORT

Volume I

Ubuntu Municipality



*menswaardigheid • hoop • erfenis
ubuntu • ithemba • izithethe
humanity • hope • heritage*

CONTENTS

CONTENTS	2
PROPOSED REVISED ANNUAL REPORT TEMPLATE ..	Error! Bookmark not defined.Error! Bookmark not defined.
CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY	6
COMPONENT A: MAYOR’S FOREWORD	6
COMPONENT B: EXECUTIVE SUMMARY	8
1.1. MUNICIPAL MANAGER’S OVERVIEW	8
1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	11
1.3. SERVICE DELIVERY OVERVIEW	Error! Bookmark not defined.Error! Bookmark not defined.
1.4. FINANCIAL HEALTH OVERVIEW	11
1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW	14
1.6. AUDITOR GENERAL REPORT	Error! Bookmark not defined.Error! Bookmark not defined.
1.7. STATUTORY ANNUAL REPORT PROCESS	Error! Bookmark not defined.Error! Bookmark not defined.
CHAPTER 2 – GOVERNANCE	Error! Bookmark not defined.Error! Bookmark not defined.
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE	Error! Bookmark not defined.Error! Bookmark not defined.
2.1 POLITICAL GOVERNANCE	Error! Bookmark not defined.Error! Bookmark not defined.
2.2 ADMINISTRATIVE GOVERNANCE	Error! Bookmark not defined.Error! Bookmark not defined.
COMPONENT B: INTERGOVERNMENTAL RELATIONS	Error! Bookmark not defined.Error! Bookmark not defined.
2.3 INTERGOVERNMENTAL RELATIONS	Error! Bookmark not defined.Error! Bookmark not defined.
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	Error! Bookmark not defined.Error! Bookmark not defined.
2.4 PUBLIC MEETINGS	Error! Bookmark not defined.Error! Bookmark not defined.
2.5 IDP PARTICIPATION AND ALIGNMENT	Error! Bookmark not defined.Error! Bookmark not defined.
COMPONENT D: CORPORATE GOVERNANCE	Error! Bookmark not defined.Error! Bookmark not defined.
2.6 RISK MANAGEMENT	Error! Bookmark not defined.Error! Bookmark not defined.

2.7	ANTI-CORRUPTION AND FRAUD	Error! Bookmark not defined.Error! Bookmark not defined.
2.8	SUPPLY CHAIN MANAGEMENT	Error! Bookmark not defined.Error! Bookmark not defined.
2.9	BY-LAWS	Error! Bookmark not defined.Error! Bookmark not defined.
2.10	WEBSITES	Error! Bookmark not defined.Error! Bookmark not defined.
2.11	PUBLIC SATISFACTION ON MUNICIPAL SERVICES...	Error! Bookmark not defined.Error! Bookmark not defined.
CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)		41
COMPONENT A: BASIC SERVICES.....		41
3.1.	WATER PROVISION	Error! Bookmark not defined.Error! Bookmark not defined.
3.2	WASTE WATER (SANITATION) PROVISION	Error! Bookmark not defined.Error! Bookmark not defined.
3.3	ELECTRICITY	Error! Bookmark not defined.Error! Bookmark not defined.
3.4	WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)	Error! Bookmark not defined.Error! Bookmark not defined.
3.5	HOUSING	Error! Bookmark not defined.Error! Bookmark not defined.
3.6	FREE BASIC SERVICES AND INDIGENT SUPPORT	Error! Bookmark not defined.Error! Bookmark not defined.
COMPONENT B: ROAD TRANSPORT		Error! Bookmark not defined.Error! Bookmark not defined.
3.7	ROADS.....	Error! Bookmark not defined.Error! Bookmark not defined.
3.8	TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION).....	Error! Bookmark not defined.Error! Bookmark not defined.
3.9	WASTE WATER (STORMWATER DRAINAGE)....	Error! Bookmark not defined.Error! Bookmark not defined.
COMPONENT C: PLANNING AND DEVELOPMENT		Error! Bookmark not defined.Error! Bookmark not defined.
3.10	PLANNING.....	Error! Bookmark not defined.Error! Bookmark not defined.
3.11	LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)	Error! Bookmark not defined.Error! Bookmark not defined.
COMPONENT D: COMMUNITY & SOCIAL SERVICES		Error! Bookmark not defined.Error! Bookmark not defined.

3.52	LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC).....	Error! Bookmark not defined.Error! Bookmark not defined.
3.55	CEMETORIES AND CREMATORIUMS..	Error! Bookmark not defined.Error! Bookmark not defined.
3.56	CHILD CARE; AGED CARE; SOCIAL PROGRAMMES..	Error! Bookmark not defined.Error! Bookmark not defined.
COMPONENT E: ENVIRONMENTAL PROTECTION		Error! Bookmark not defined.Error! Bookmark not defined.
3.59	POLLUTION CONTROL.....	Error! Bookmark not defined.Error! Bookmark not defined.
3.60	BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)	Error! Bookmark not defined.Error! Bookmark not defined.
COMPONENT F: HEALTH.....		71
3.62	CLINICS.....	Error! Bookmark not defined.Error! Bookmark not defined.
3.63	AMBULANCE SERVICES	Error! Bookmark not defined.Error! Bookmark not defined.
3.64	HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC..	Error! Bookmark not defined.Error! Bookmark not defined.
COMPONENT G: SECURITY AND SAFETY		72
3.65	POLICE.....	Error! Bookmark not defined.Error! Bookmark not defined.
3.66	FIRE	Error! Bookmark not defined.Error! Bookmark not defined.
3.67	OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER).....	Error! Bookmark not defined.Error! Bookmark not defined.
COMPONENT H: SPORT AND RECREATION		72
3.68	SPORT AND RECREATION.....	Error! Bookmark not defined.Error! Bookmark not defined.
COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES.....		Error! Bookmark not defined.Error! Bookmark not defined.
3.69	EXECUTIVE AND COUNCIL.....	Error! Bookmark not defined.Error! Bookmark not defined.
3.70	FINANCIAL SERVICES.....	73
3.71	HUMAN RESOURCE SERVICES.....	73
3.72	INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES	77
3.73	PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES	77
COMPONENT J: MISCELLANEOUS		Error! Bookmark not defined.Error! Bookmark not defined.

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE **Error! Bookmark not defined.****Error! Bookmark not defined.**

(PERFORMANCE REPORT PART II) **Error! Bookmark not defined.****Error! Bookmark not defined.**

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL..... **Error! Bookmark not defined.****Error! Bookmark not defined.**

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES.. **Error! Bookmark not defined.****Error! Bookmark not defined.**

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE ... **Error! Bookmark not defined.****Error! Bookmark not defined.**

4.2 POLICIES..... **Error! Bookmark not defined.****Error! Bookmark not defined.**

4.3 INJURIES, SICKNESS AND SUSPENSIONS **Error! Bookmark not defined.****Error! Bookmark not defined.**

4.4 PERFORMANCE REWARDS.....83

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE84

4.5 SKILLS DEVELOPMENT AND TRAINING **Error! Bookmark not defined.****Error! Bookmark not defined.**

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE85

4.6 EMPLOYEE EXPENDITURE86

CHAPTER 5 – FINANCIAL PERFORMANCE88

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE88

5.1 STATEMENTS OF FINANCIAL PERFORMANCE88

5.2 GRANTS91

5.3 ASSET MANAGEMENT93

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS.....95

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET103

5.5 CAPITAL EXPENDITURE103

5.6 SOURCES OF FINANCE104

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS.....105

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW106

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS.....	108
5.9 CASH FLOW.....	109
5.10 BORROWING AND INVESTMENTS	110
5.11 PUBLIC PRIVATE PARTNERSHIPS.....	114
COMPONENT D: OTHER FINANCIAL MATTERS.....	114
5.12 SUPPLY CHAIN MANAGEMENT.....	114
5.13 GRAP COMPLIANCE	114
CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS	115
COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2007/08.....	115
6.1 AUDITOR GENERAL REPORTS 2012/13.....	115
COMPONENT B: AUDITOR-GENERAL OPINION 2012/13	115

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

Ubuntu Municipality was established in 2000 in terms of the Municipal System Act and is the amalgamation of three formally autonomous towns Loxton, Victoria West and Richmond. The Municipality is situated in the Southern part of the Northern Cape Province. The council and administrative head office is situated within the town Victoria West.

Vision

Ubuntu Municipality has redefined its strategic direction envisioned as: To create a space where humanity meets.

In its vision Ubuntu Municipality intends honouring its name Ubuntu – Humanity, meaning put people first in whatever we are doing. Thus we have adopted the following values: (Pro poor focus, Respect; Empathy; courtesy; people centeredness; transparency; Equity and Non racialism and non sexism.

In applying these values in our every day professional working life we strive to realise our vision and our driving force will be following

Strategic objective

1 Building better communities

2 Enhance financial stability

3 Establish effective and efficient sustainable services

3 Enhanced; effective, accountable and clean institutional management and corporate governance (Clean Audit.)

Our aim with these strategic objectives is to achieve the following strategic outcomes: Financial liquidity; employment and growth in the GDP, investment,

liveable integrated communities; payment of services, good governance and human capital and a sound credit rating.

Ubuntu Municipality seeks to align its self to the Provincial Growth and development Plan; the district growth and development Plan ; as well as keeping focus on its own IDP *strategic outcomes as well as whatever strategic direction that is been set by COGHTA and or National Treasury*

Even through the hang council reality is hampering good progress. We engaged in a strategic planning session where the aforementioned vision was delivered and a living developed strategic planning document to unequivocally steer the direction. Although the past year was clouded with cheap politicking; silly newspaper articles in the anti municipality local newspaper, because of its ANC leadership; we stay focussed and improved our audit opinion to an Unqualified audit opinion. This was a first in the life time of our municipality; this achievement never reflected in the Messenger. Our interventions in the wind farm project, leaves more then 200job opportunities for our community, in fact the contractors with the assistance of Department of labour to register our people for unemployment. The Municipality with the assistance of the District Municipality upgrades Sunrise Sport Stadium and are committed to further improve it. More then 7 kilometre od road have been tarred in the community that creates almost 100 jobs. Even the upgrading of the external storm water for almost R5 million, creates 140 job opportunities.

Ubuntu Municipality from its own resources starts a town planning process, and have completed the first phase of 880 sites in extension 11, Victoria West , where as the second phase 250 site for Loxton and almost 500 sites for Richmond with a further 400 sites for Victoria West in going to be penned during the course of the financial year.

Again allow me to re-iterate the comment made by our former president, on the many needy questions of our communities. “Ubuntu Municipality is a very poor community with many needs”.

As you have noticed all your basic services have been delivered timeously, never without water, electricity refused removed etc. Our commitments as the council is to always better on that, but will always with your support and commitment do , whatever possible to minimize the effect of the scourge of HIV/Aids , unemployment reality and lack of business opportunities. Together we can do more

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

This report is compiled and tabled in terms of section 127(2) of the Municipal Finance Management Act (MFMA), which require that the performance report of the municipality be tabled at the municipal council by the mayor.

There after the municipal manager must make the report public and invite the local community to submit representation in respect to issues raised in public.

The report aims to reflect on the work carried out in the 2012/13 financial year and to provide feedback on performance against targets to various stakeholders including the community, as well as the developmental and institutional aspects, including financial performance.

The year under review was not only a financially difficult year , but also administratively and politically very challenging .The complications of a hang_council resulted in the delay of almost everything, in fact it takes council almost more than half of the year to only appoint the accounting officer ,left at alone walking out of a council meeting when parties are not in agreement ,even though parties tribunal have been established to remedy the situation .It possess serious threat or challenges for legal compliance and administrative governance.

Amongst all of these we still managed to improve our audit opinion from Qualified to an unqualified opinion with matters. A very a first for the institution and one that we are very proud of.

There are no arrears on our Eskom account, although we sometimes exceed the thirty day time periods for creditors.

One of the biggest issues the council had to face is water scarcity, and the delivery of water from a farmer, a very unstable relationship. Even though contingency plans are put in place through the development of additional bore holes, catering for that demand the wastage of water remains a serious concern. In fact the demand for a full water borne sanitation services is worsening the situation. The reality of us living in a water scarce area needs to be handle with care, and are prepaid water metering the only viable option. The latter are close to its final stage and only need political buy in. The truth of the matter is water scarcity and problems can threatens potential economic development. A full analysis of water resources are made of the entire Municipal Area and will be available in due course on our website.

Electricity losses are another challenge that needs careful consideration.

On average we loose almost 25 percent of electricity, something we really can't afford and drastic action needs to be taken. In fact when we caught perpetrators we implement council policies cutting their services and fining them . Remembering these excessive electricity burden, resulted in exceeding our maximum demand limit, for which we pay huge penalties.

The above mentioned services need both administration and politicians to join hands, as a collective taking care of it. In fact both these service, with sewerage services had ageing infrastructure problems, the need for upgrades and replacements (rather than patching_and hoping for the best) which are compounded by any growth in population, many of whom are simply unable to contribute to the Municipal fiscuss.

On a daily basis we strive to deliver services promptly and without delays ,not only availing water services non-stop to our consumers ,but also in compliances with National Water Act meaning we always do regular water sampling , testing and treatment , thus our blue drop status is 72.6 percentage. Our position is in this regard in the province is 4 place .

With regards to MIG spending, the funds spend for infrastructure for upgrading in our

previously disadvantaged areas, we maintain an average spending of not less than 90%. Upgrading of our roads, external storm water, landfill sites, cemeteries etc, this where we have created almost 400 jobs

More needs to be done with the control of stray animals, and also the management commonage rentals.

Ubuntu Municipality is an institution at work, under pressing circumstances. We dare not fail our people who have entrusted us with the privilege of service delivery.

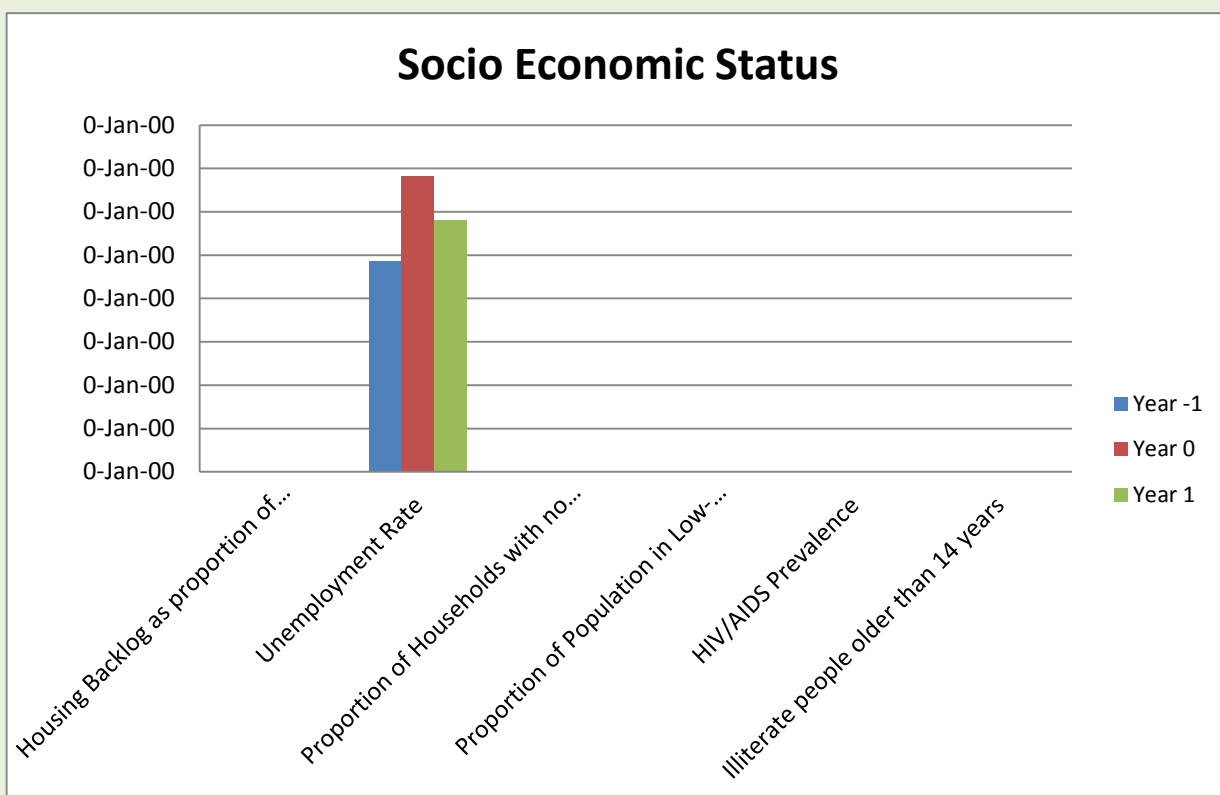
Please always remember Ubuntu team: "HY WAT AAN DIE GERINGSTES VAN DIE WERELD GOED DOEN, HET AAN DIE HERE JESUS GOED GEDOEN"

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

Population Details									
Age	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	1089	1139	2228	914	928	1842	1066	1087	2153
Age: 5 - 9	1164	1262	2426	875	886	1761	1057	1101	2158
Age: 10 - 19	2303	2318	4621	1808	1770	3578	1805	1729	3534
Age: 20 - 29	1566	1554	3120	1215	1287	2502	1553	1434	2987
Age: 30 - 39	1147	1292	2439	1101	1221	2322	1228	1207	2435
Age: 40 - 49	868	1000	1868	834	908	1742	1053	1098	2151
Age: 50 - 59	623	671	1294	589	623	1212	760	830	1590
Age: 60 - 69	407	488	895	369	485	854	462	508	970
70+	249	396	645	212	350	562	241	382	623
Total	9416	10120	19536	7917	8458	16375	9225	9376	18601
Source: Statistics SA									

Socio Economic Status

Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
1996	0%	24%	0	0%	not available	not available
2001	0%	34%	0%	0%	not available	not available
2011	0%	29%	0%	0%	not available	not available
Source: Statistics SA						



1.3. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL SUSTAINABILITY

The indicators or conditions that may, individually or collectively, cast significant doubt about the going concern assumption are as follows:

Financial Indicators

Current Liabilities exceeds current assets with the current ratio being 0.22:1 (2012 - 0.25:1)

The debtors' impairment ratio decreased to 90% from the previous year's 92%. This is still considered to be very high

The municipality have budgeted for a deficit of R 1 214 674 for the 2013/2014 financial year. The municipality is also budgeting for negative cash flows during 2013/2014, 2014/2015 and 2015/2016 amounting to R 3 569 349, R 9 758 404 and R 9 164 619 respectively.

A bank overdraft facility is utilised amounting to R 1 400 000.

The municipality is in arrears with the Development Bank of South Africa to an amount of R 848 687 (2012 - R 739 987)

Other Indicators

Possible outflow of resources due the contingent liabilities disclosed in note 51 (see attached AFS)

Actions taken by Council

Council is continuously exploring avenues to increase the revenue base and improve the credit control measures of the municipality to address the negative indicators above and cash flow challenges.

These actions during 2013/2014 includes, but is not limited, to the following:

- Restructuring of its DBSA annuity loan to ensure the repayments are affordable.

Financial Overview - 2008/09			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income			
Grants	200	205	203
Taxes, Levies and tariffs	345	355	365
Other	100	80	78
Sub Total	645	640	646
Less Expenditure	644	640	645
Net Total*	1	0	1
* Note: surplus/(defecit)			T1.4.2

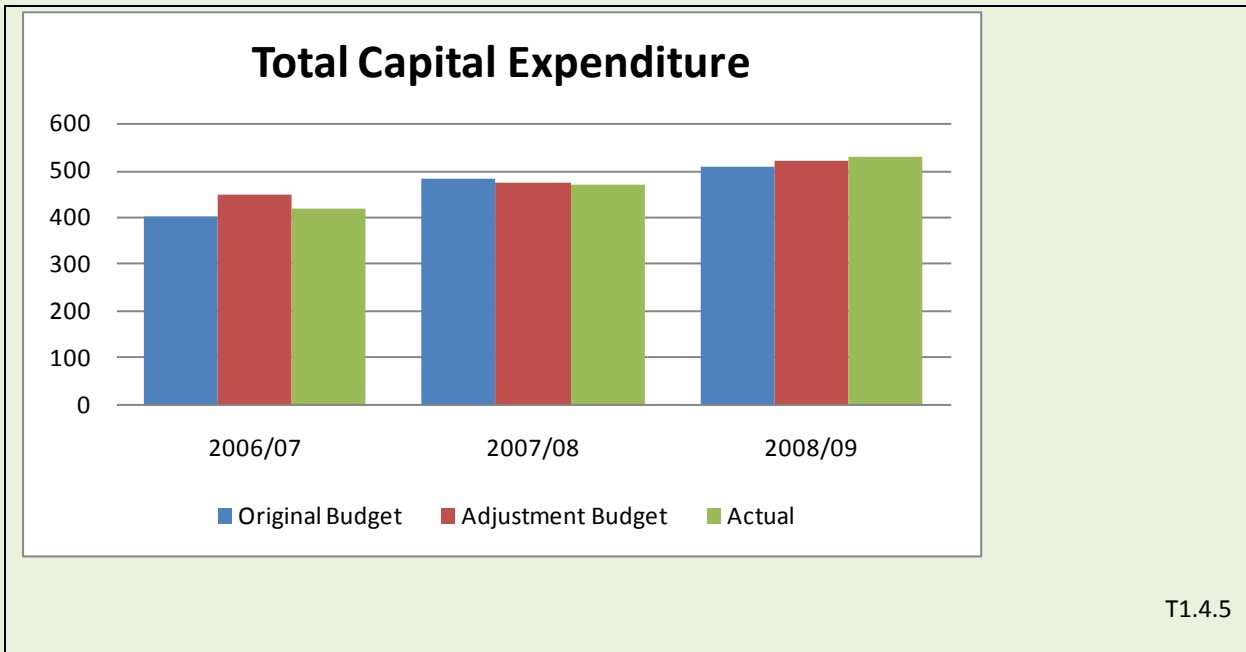
Operating Ratios	
Detail	%
Employee Cost	
Repairs & Maintenance	
Finance Charges & Depreciation	
T1.4.3	

COMMENT ON OPERATING RATIOS:

Delete Directive note once comment is complete - Explain variances from expected norms: 'Employee Costs' expected to be approximately 30% to total operating cost; 'Repairs and maintenance' 20%; Finance Charges and Depreciation 10%.

T1.4.3.

Total Capital expenditure 2006/07 - 2008/09			
			R'000
Detail	2006/07	2007/08	2008/09
Original Budget	400	480	508
Adjustment Budget	450	475	520
Actual	420	468	530
T1.4.4			



1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

See Report attach

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT 2012/13

See Report attach

T 1.6.1

1.7. STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 th quarter Report for previous financial year	
4	Submit draft 08/09 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	

18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input.	January
T1.7.1		

INTRODUCTION TO POLITICAL GOVERNANCE

Ubuntu Municipality have established the following committees to perform its powers and functions:

Financial Committee

This committee is responsible for Budget & Treasury, Asset and Risk Management, Contracts & Demand, Management, Expenditure Management, Supply Chain Management, Revenue Management, Information Technology Management

Technical Services Committee

This committee is responsible for Administration, Roads and Storm water, Water and Sanitation, Water and Sewerage, Purification, Technical Support, Operations & Planning, Distribution, Transport, Motor Workshop, Mechanical Workshop, Emergency Services Environmental Health Climate Change Unit Sustainable Energy and Responsibilities.

Corporate & Community Services Committee

This committee is responsible for Parks & Recreation, Traffic Services, Motor Registration & Licensing, Library Services, Personal Health, Social Developmental, Administration, Housing administration Communications, Employment Equity, Gender & Special and Programmes, Employee Relations, Risk Management, Human Resources, Office of Executive Mayor, Councillor Support, Committee Services, Local Economic Development and Town Planning.

Oversight Committee

The responsibility of this committee is to undertake a review and analysis of the Annual Report, invite, receive and consider inputs from Councillors and Portfolio Committees, on the Annual Report. Consider written comments

received on the Annual Report from the public consultation process. Conduct Public Hearing(s) to allow the local community or any organs of state to make representations on the Annual Report. Receive and consider Councils' Audit Committee views and comments on the annual financial statements and the performance report. Preparation of the draft Oversight Report, taking into consideration, the views and inputs of the public, representative(s) of the Auditor General, organ of states, Councils' audit committee and Councillors.

Municipal Public Accounts Committee

This committee's responsibility is to examine the following:

Financial statements of all executive organs of Council Any audit reports issued on those statements.

Any reports issued by the Auditor General on the affairs of any municipal entity. Any other financial statements referred to the committee by Council.

The MPAC handle the annual report on behalf of Council and make recommendations to Council thereafter.

Report on any financial statements or reports to Council Initiate and develop the annual oversight report based on the annual report Initiate any investigation in its area of competence Perform any other function assigned to it by resolution of Council

Ward Committees

These committees' responsibilities are to serve as an official specialised participatory structure in the municipality,

To create formal unbiased communication channels as well as co-operative partnerships between the community and the council.

Advise and make recommendations to the ward councillor on matters and policy affecting the ward

Assist the ward councillor in identifying conditions, challenges and the needs of residents

Spread information in the ward concerning municipal affairs such as the budget, integrated development planning, service delivery options and municipal properties Receive queries and complaints from residents concerning municipal service delivery, communicate it to council and provide feedback to the community on council's response

Ensure constructive and harmonious interaction between the municipality and community through the use and coordination of ward residents meetings and other community development forums

Interact with other forums and organizations on matters affecting the ward.

To serve as a mobilising agent for community action.

Performance Audit Committee–

This committee is responsible to assist the Municipal council in the co-ordination of functions pertaining to its portfolio. Considering reports from the designated officials for the portfolio, or other functionary and submit its recommendation on such issues to council. Ensure the provision of an efficient and effective audit function, in accordance with the Auditor- General Act. Be constantly aware of the current areas of greatest financial risk and ensure that management are effectively managing the risk. To satisfy it that effective 'systems' of accounting and internal control are established and maintained to manage financial risk.

To satisfy itself as regards the 'integrity and prudence' of management control systems, including the review of policies and procedures. To ensure that the council is aware of any matters that might have a significant 'impact' on the financial conditions or affairs of the Municipality

Audit Committee

The responsibilities of this committee are to advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality.

Review the annual financial statements to provide the Council with an authoritative and credible view of the financial position of the municipality

Respond to the Council on any issues raised by the Auditor-General in the audit report

Carry out such investigations into the financial affairs of the municipality ... as the Council of the Municipality may request.

Training Committee

These committees' responsibilities are to equip all employees with the necessary knowledge, skills and competencies to perform their work effectively, in pursuit of the vision and mission of Council as well as the employee's vision.

Enabling employees to deal effectively and pro-actively with change and to the challenges of dynamic work and external environment

Enables employees to acquire development orientated professionalism and the appropriate competencies.

Help employees to address issues of diversity whilst promoting a common organization culture so as to or in doing support unity at the workplace.

Assisting employees in developing a better understanding of the needs of the communities that they are serving, as well as the capability to respond to these needs

Creates an enabling environment for the training and development of present and future incumbents. Creating a pool of suitably qualified individuals to be identified and developed in terms of a succession planning program.

Local Labour Forum

The functions of a LLF forum are to: –

Promote the interests of all workers (not only trade union members);

Enhance workplace efficiency;

Consult with the employer;

And take part in decision-making

POLITICAL STRUCTURE

Function

MAYOR

(Katy Johanna Rigard)



SPEAKER

(Katy Johanna Rigard)



CHIEF WHIP
(Krisjan James Arens)



MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE
(Names)

**We don't have a mayoral committee. This is a
plenary system of council**

COUNCILLORS

New portfolio committees have been established as Section 80 Committees which was changed to Section 79 Committees to rendering assistance to the Executive Committee, as and when required.

Councilor Information:

Finance Committee

Cllr KJ Arens. (Chairperson)

Cllr C Pieterse

Cllr A Verwey

Cllr KV De Bruyn

Corporate Services Committees

Cllr. CC Jantjies (Chairperson)

Cllr. KJ Arens

Cllr. SC Jordaan

Cllr. KV de Bruyn

Technical Committee

Cllr. C Pieterse (Chairperson)

Cllr. KJ Arens

Cllr. BB Bruwer

Cllr. SC Jordaan

Mayor KJ Rigard serve as ex-officio on all the above committees

N O	Name	Position	Gender	Party	Chairperson	Committees
1	KJ Rigard	Mayor/ Speaker	Female	ANC	Council	Ex-officio on all committees
2	KJ Arens	Councilor	Male	ANC	Finance	Technical; Finance; Corporate; LLF
3	CJ Pieterse	Councilor	Male	ANC	Technical	Technical; Finance; Corporate; LLF
4	CC Jantjies	Councilor	Female	ANC	Corporate LLF	Technical; Finance; Corporate;
5	B Bruwer	Councilor	Male	DA		Technical
6	SC Jordaan	Councilor	Female	DA	MPAC	Corporate
7	A Verwey	Councilor	Male	DA		Finance and Technical, LLF
8	KV de Bruyn	Councilor	Male	Cope		Finance and Technical

POLITICAL DECISION-TAKING

All council resolution has been taken in General or Special council Meeting with a majority vote. Portfolio Committees make recommendations to General council meetings and endorse by the council. The Local Labour Forum consists of 10 members of which make up 5 members from Labour (IMATU & SAMWU) and 5 from Employers side. All agreement reach in the LLF is binding to both parties. LLF Minute becomes part of Council Agenda. (Councilors and Management) The administration implemented all council resolution after it has been condone by council.

2.2 ADMINISTRATIVE GOVERNANCE

Photo

TOP ADMINISTRATIVE STRUCTURE

TIER 1

MUNICIPAL MANAGER

Functions

Reporting directly to the council. Develop and manage of an economical, effective efficient and accountable administration. Manage of a administration in accordance with applicable legislation; Implementing the IDP and monitoring implementation. Manage the provision of services in a sustainable manner. Appoint staff, promoting of sound labour relations and employment equity principles. Responsible and accountable for all income and expenditure, all assets and the discharge of all liabilities and compliance with MFMA and all relevant legislation and develop a staff establishment.



Martin Francois Fillis

TIERS 2 AND 3

CHIEF FINANCIAL OFFICER

Responsible for all financial Management functions; Assets and liability Management; Revenue Management ; Expenditure management; Expenditure on staff benefits; Transferral of funds to organisations and bodies outside government; Budget preparations, Budget implementation, reports and reportable matter , Protection of accounting officer.



Levona Synthia Plaatjies

Director Corporate and Community Services

Responsible for the administration of all administrative, secretariat, by-laws, auxiliary and human resources activities and Library services to ensure the effective functioning of the administration. Responsible for the administration of all housing activities to ensure the effective functioning of the administration. Responsible for the record keeping of relevant data to ensure the capturing of all important and relevant information and compliance with all legal prescriptions. Responsible for the secretariat functions to ensure an effective and efficient secretariat service to the Council and its Committees. Manage and administer the issuing and control of all licenses and permits, contracts/agreements, renting, tenancy, leasehold, title deeds, purchase and selling of ground, sites, houses and other properties to render a proper administrative service regarding all legal issues. Manage all administrative and organisational processes and procedures regarding by-laws and the up keeping of the necessary registers in this regard to ensure that the municipality complies with relevant legislation and legal

procedures Assist with the administration of the following functional activities in order to assist the line management with the administrative processes, by:

- Assist with the necessary liaison with the public and community institutions and with the Integrated Development Plan (IDP) co-ordinating functions
- Assist the Head of Department with the Human Resources Management functions.
- Develop and implement a customer care program regarding the Corporate Services Department.
- Responsible for the compilation of the IDP, Performance Management System (PMS) and LED
- Responsible for the Community Development Workers (CDW); give guidance, report their activities
- Handle certain projects, for example: Library Development Project, MSIG, Housing, LED and the project's finance and planning
- Compile a business plan for certain projects



Hendri Jacobs

Director Technical Services

Run the Technical Division, planning, organising, directing and control of all the activities and staff of the division to ensure optimal productivity at all times.

Responsible for the ordering of stocks and supplies and the transport and issuing thereof.

Manage the commonage and emerging Farmer's projects.

Manage the Nature Reserves of the Municipality. Responsible for the operational function of the Water, Sanitation Refuse Removal Public works and Streets, Parks , electricity and infrastructural project.



Thembinkosi Headman Zingange

2.3 INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The relationship between the Municipality and the other sectoral departments is good. We have established a Local Communications forum which was use as an Intergovernmental Relations Forum. This structure has become non functional due to the weak attendance of the meetings. There are service delivery programmed that we have done as a collective

NATIONAL INTERGOVERNMENTAL STRUCTURES

The Municipal Manager has attended the National Municipal Manager Forum and all SALGA's Meeting and Forums. Ubuntu Municipality attends most of the national meetings, seminars and workshop.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The official and councilors have attended different SALGA portfolio committee meetings during the year under review. The mayor has also attended the Premiers Intergovernmental Relations. The Chief Financial Officer is attending the CFO's Forum on a regular basis. The Municipal manager and CFO is also attending the provincial Minmec meetings on behalf of Ubuntu Municipality

RELATIONSHIPS WITH MUNICIPAL ENTITIES

Ubuntu Municipality has no registered Municipal Entities

DISTRICT INTERGOVERNMENTAL STRUCTURES

Ubuntu Municipality has a sound relationship with the District Intergovernmental Relations Forum. The Mayor attends the IGR forum every quarter and the Manager. The mayor is also representing the Municipality on the District Health Forum. The Municipal Official attends different for a e.g. Finance, Energy, Water sector forums, LED District Forum, Communications forum ect.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Ubuntu Municipality have the following structures in place where we consult with the different stakeholders and the public:

IDP Representative Forum

Budget consultation Forum

Ward Committees

Meetings with Ratepayers Association and Commercial Farmers

LED Forums

Communications Forum

Council Meets the People

Ward Meetings

Public Accounts Committee

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

The Municipality has organized several community participation processes for council as regulated by different pieces of legislation. The following processes were conducted during the year:

IDP Representative Forum meeting –6

Budget consultation meeting –8

Community meetings – 3 per ward

Consultation meetings about –

Communications forum – 4

Ward committees Meetings 12

The mediums that we have used to consult are by the newspapers, invitation letters, and flyers pamphlets and by loud hailing.

WARD COMMITTEES

The Municipality has established all its ward committees. The committees were trained during the year under review. We face challenges with some of the member that became defunct. Some the member lost commitment during the year. Some of them left the Municipal area to seek job opportunities.

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The public Meeting that we have was very effective and strengthened the relationship between the public and the council. We also have an Imbizo where we invited other department to come and answer for themselves. Political intolerance is still a huge problem in the Municipality. Politicizing of Community Meeting is huge challenge. Weak attendance of meetings is also a challenge.

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

* Section 26 Municipal Systems Act 2000

OVERVIEW OF CORPORATE GOVERNANCE

The corporate overview of the Municipality is to improve the daily activities of the Municipality and to give support to sectoral departments on national and provincial level and other internal departments of Ubuntu Municipality through:

Effective and efficient quality service delivery

To improve the relationship between the council and the community.

Having a two way approach to communication and service

To inform the community on council's activities.

To get feedback on council's decision and resolutions

2.6 RISK MANAGEMENT

RISK MANAGEMENT

The Director of the Municipality has the responsibility to be the Risk Managers for their respective departments. A risk assessment was done in the beginning of the financial by the Internal Auditors. All the risk that was identified was concentrated on by the HOD's. We have An Internal auditors and an Audit committee in place. The entire Management serves on the Risk Management Committee. Provincial Treasury has also assisted to compile a risk register.

FRAUD AND ANTI-CORRUPTION STRATEGY

Ubuntu Municipality has an Anti Corruption and Prevention Policy in place. We don't have a dedicate hotline in place. But the community is encouraged to report any corruption or fraud to the Municipal Manager or Mayor, the SAPS, The Premiers office, National Prosecuting Authority, The Public Protector, councilors and the Presidential hotline. No cases of financial misconduct, fraud or corruption were found and reported for the financial year under review. All disciplinary misconduct by official have been report and prosecuted.

OVERVIEW SUPPLY CHAIN MANAGEMENT

Ubuntu Municipality has an approved Supply Chain Management Policy in place. All SCM committees have been established and properly trained. All necessary procedures were followed to award tenders. The following tenders were awarded during the year under review:

Supply & Delivery of Materials for storm water Project R2 056 435.74

Loxton Supply & Delivery of Material of civil engineering services R1 631 620.50

Supply & Delivery of materials' for road construction at Victoria West & Loxton
R1 812 600.00

Supply & Delivery of materials' for road construction at Victoria West
R1809522.00

Supply & Delivery of materials' for the construction of interlocking Brick pavement road at Loxton R2 762 844.15

2.9 BY-LAWS

COMMENT ON BY-LAWS:

No new bylaws have been developed or reviewed during the year under review

2.10 WEBSITES

Municipal Website : Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	1-Jul-12
All current budget-related policies	Yes	
The previous annual report (Year 0)	Yes	1-Feb-13
The annual report (Year 1) published/to be published	-	1-Feb-13
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 1) and resulting scorecards	Yes	1-Jul-12
All service delivery agreements (Year 1)	Yes	
All long-term borrowing contracts (Year 1)	Yes	1-Jul-12
All supply chain management contracts above a prescribed value (give value) for Year 1	Yes	When needed
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	Yes	1-Jul-12

Contracts agreed in Year 1 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in Year 1	No	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 1	Yes	Quarter

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

We have a fully functional website in place. The municipality don't have a fulltime IT Manager in place to deal with the day to day running and maintaining of the Website. We make use of a service provider to update the website on a regular basis. From time to time the administration have tried very hard to load the necessary document as required by legislation on the website.

T2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFCATION LEVELS

Ubuntu Municipality delivery basic services as follows:

Electricity has been supplied by the municipality on daily basis to the community. Interruption due to maintenance or Eskom of this service is not longer than 12 hours. The Municipality has a once a week frequency of refusal collection in the community and 3 times a week from business. No interruption was experience. Night Soil services (bucket system) are collected in a frequency of 2 times a week in the informal settlements services and subserviced settlement. Sanitation from people with drains has been suck as per order placed. Water has been provided on a daily basis. Any interruption due to

maintenance or defaults was solved with in 8 hours. The administration responds to the public by mean of letters to acknowledge your correspondence with in 48 our or seven days. Other letters that need the attention of council get their response after the next council meeting. The Municipality tried by all means to satisfy the public with basic service delivery issues. A complaint register is in place at all office, where the public can register complains and comments on the delivery of services. Complains received are been dealt with in 48 hours. The public also lodge their complaints in public meeting. Answer has given to them in the meeting at our offices. No formal survey was to check on the satisfaction. We intend to do surveys in the future

PART I)

COMPONENT A: BASIC SERVICES

DEPARTMENT TECHNICAL SERVICES

INTRODUCTION

EXECUTIVE SUMMARY

1.1 SERVICE DELIVERY OVERVIEW

1.1.1 BASIC SERVICE DELIVERY CHALLENGES

Challenges	Action to address
High unemployment rate and poverty	Implementation of ward based infrastructure projects and other job creation initiatives
Housing needs	Implementation of turn key projects
Limited Municipal resources	Effective budgeting and financial planning
Replacing of ageing	Submit applications to potential funders

infrastructure	
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Table 1: *Basic service delivery challenges*

1.1.2 PROPORTION OF HOUSEHOLDS

KPA & Indicator	Municipal Achievements
	2012/13
Electricity service connections	100%
Water – available within 200m from dwelling	100%
Sanitation – households with at least Bucket system services	100%
Waste collection – kerbside collection once a week / frequently	100%

Table 2: *Households with minimum level of basic services*

ELECTRICITY

Highlights	Description
Network still holding on no faults reported. Most of the customers are.	Almost 30 upgrade connections done during winter

Electricity Highlights

Challenges	Action to address
Meter tampering and bypassing of system	Meter controller to be appointed.

Electricity Challenges

SERVICE DELIVERY PERFORMANCE

COMPONENT A: BASIC SERVICES

This component includes basic service delivery highlights and challenges, includes details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

1. WATER PROVISION

Water is the main service task of this department and we make sure that we provide clean and fresh water to all residents or users as prescribed by SANS 241, and we make sure that water is been tested every second week of a month. Ubuntu municipality is totally dependent on ground water (boreholes), the effective and sustainable management thereof in order to provide a cost effective water supply is of the greatest importance to the Municipality. Ubuntu municipality still purchases 70% of water from a farm 10km from Victoria West (Conroy farm – Biesiespoort) and the municipality is also responsible for the maintenance of pumps installed at the municipal owned sources and reservoirs. Test results are available at the Municipality on a monthly basis

The Water Conservation and Water Demand Management (WCWDM) strategies are aimed at limiting water losses in order to keep the cost of water at affordable levels. An on-site water loss, over which the Municipality has no control, poses a major challenge and will receive attention in future. The water losses in the past year were 13.2% compared to 13.6% in the previous year. A free basic water service is also provided to poorer members of the Ubuntu municipality population. The first 6 kℓ of water per month and the first 4, 2 kℓ of sewage conveyance and treatment per month are provided free of charge to all consumers.

All queries / disruption are attended to and repaired accordingly within 8 hours on daily basis out of the O & M budget. Water purification is on track and we proud to announce that our Municipality was the only one getting blue drop status in the Northern Cape Province 4th place in terms of compliance. In 2011/12, the municipality achieved an overall municipal Blue Drop score of 72.6%.The Ubuntu Municipality continues to achieve and deliver high-quality water through effective management of the whole value chain of the water supply system, which includes raw water

sources operations, maintenance, and quality testing in accordance with SANS 241.

▪ **Challenges: Water Services**

Description	Action to address
Improving the portable water quality “Blue drop” standards	To improve its capacity to conduct a variety of biological, physical and chemical tests of potable water and wastewater by investing in new testing equipment with advanced technology.
On site water losses	Water conservation and Water Demand Management (WCWDM) project - With the implementation of a policy to install water management devices on prioritised basis, for residences defined as indigent to have the means by which to prevent their water consumption from reaching unaffordable levels
Old / dilapidating infrastructure	Outsourcing of funds for the replacement of old asbestos pipes for PVC pipes

Water service challenges

Total Use Of Water By Sector					
Year	Busines	Churche	Industria	Domestic	Unaccountabl

	s	s	l	Household s	e water Losses
2012/13					
2011/12					

Service delivery levels: Water Services

▪ **Service Delivery Level: Water Service**

Water Service Delivery Levels		
Households		
Description	2011/12	2012/13
	Actual	Actual
	No.	No.
Water: (above min level)		
Piped water inside dwelling	20	80
Piped water inside yard (but not in dwelling)	270	36
Using public tap (within 200m from dwelling)	-	12
Other water supply (within 200m)	0	0
Minimum Service Level and Above sub-total	-	-
Minimum Service Level and Above Percentage	100	100
Water: (below min level)		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0

Below Minimum Service Level sub-total	0	0
Below Minimum Service Level Percentage	0	0
Total number of households	290	128
Include informal settlements		

Water service delivery levels: Households

Access to Water			
Financial year	Number/Proportion of households with access to water points*	Proportion of households with access to piped water	Number /Proportion of households receiving 6 kl free
2012/13	116	128	1693
2011/12	270	290	
<p><i>* Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10litres per minute</i></p> <p><i># 6,000 litres of potable water supplied per formal connection per month</i></p>			

Access to water

▪ **Service Delivery Indicators**

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2012/13		
					Target	Actual	R
	Implement the Water Conservation and Water Demand Management	% of approved funding spent	1,2,3 & 4	100%	100	100	G

	t project funded by DWA						
	Maintain water assets with the approved maintenance budget	% of maintenance budget of water spent	1,2,3 & 4	100%	100	100	G 2
	Limit unaccounted water	% of water unaccounted for	1,2,3 & 4	13.6%	10%	13.2%	G
	Water quality as per blue drop	% water quality level	1,2,3 & 4	72.6%	80%	New performance indicator for 2012/13. No comparatives available	G
	Households with piped water inside dwelling	Number of households	1,2,3 & 4	100	100	100	G
	Households with piped water inside yard	Number of households	1,2,3 & 4	100	100	100	G
	Households using public tap	Number of households	1,2,3 & 4	New performance indicator for 2012/13 . No	12	12	G

				comparatives available			
	Provide households with new water connections	Number of households	1,2,3 & 4	New performance indicator for 2012/13 . No comparatives available	-	-	R

Service delivery indicators: Water services

▪ **Operational Budget: Water & Wastewater Services**

Operational Expenditure 2012/13: Water Services				
Description	2012/13			
	Budget	Actual Expenditure	Budget 2013/14	Budget 2014/15
Personal Expenditure	1 055 417.00	870 258.00	955 786.00	995 677.00
General Expenditure	3 079 153.00	983 783.00	2 766 633.00	2 889 903.00
Bulk Purchases	543 221.00	429 332.00	483 465.00	512 473.00
Maintenance and Repairs	180 000.00	319 630.00	210 000.00	195 000.00
TOTAL	4 857 791.00	2 603 003.00	4 415 884.00	4 593 053.00

2. WASTE WATER (SANITATION) PROVISION

3.

• Introduction to Sanitation Provision

Various types of sanitation are currently provided: full waterborne sewerage, flushing toilets with vacuum tanks and buckets. The biggest challenge currently is the upgrading of the (buckets) to full waterborne sewerage. Business plans for funding have already been submitted but approval is still awaited. The municipality has put water on 270 plots and also put in the sewer bulk services for 270 plots, funds to initiate the project came from the coffers of the council.

The municipality has a fully operating team for cleaning and maintaining the block drains and are attended accordingly. On site drain blockages which poses health risks are cleared free of charge for the indigent households. Night soil services are provided frequently and accordingly to households with bucket system.

▪ Challenges: Waste Water (Sanitation) Provision

Description	Action to address
The municipality has still a huge backlog of bucket system eradication in the new developed sites.	Application for additional funding from other spheres of government

Waste Water (Sanitation) Provision Challenges

▪ Services Delivery levels: Sanitation

Sanitation Service Delivery Levels		
Households		
Description	2011/12	2012/13
	Outcome	Actual
	No.	No.
Sanitation/sewerage: (above minimum level)		
Flush toilet (connected to sewerage)	20	60
Flush toilet (with septic tank)	-	20
Chemical to	-	-
Pit toilet (ventilated)	-	-

Other toilet provisions (above min. service level)	-	-
Minimum Service Level and Above sub-total	-	-
Minimum Service Level and Above Percentage		
Sanitation/sewerage: (below minimum level)		
Bucket toilet	365	285
Other toilet provisions (below min. service level)	-	-
No toilet provisions	-	-
Below Minimum Service Level sub-total	-	-
Below Minimum Service Level Percentage	-	-
Total households	385	365
Include informal settlements		

Sanitation service delivery levels

▪ Service Delivery Indicators

R e f	KPI	Unit of Measure ment	Wa rds	Previous Year Performa nce	Overall Performance for 2012/13		
					Targ et	Actual	R
	Upgrading of Loxton Oxidation Pond	% of grant funding spent	All	100%	100%	100%	G
	Maintain sanitation assets	% of maintenance budget of sanitation spent	All	100%	100%	100%	G
	Quality of waste water	% water quality	All	21%	25%	New performance	R

	discharge measured in terms of Green Drop	level of waste water discharge				indicator for 2012/13. No comparative s available	
	Households with flush toilet connected to sewerage distribution network	Number of household s	All	80	270	-	R
	Households with flush toilet with septic tank	Number of household s	All	20	-	-	R
	Households with bucket toilet	Number of household s	All	New performan ce indicator for 2012/13. No comparati ves available	860	860	R
	Households provided with new sanitation connections	Number of household s	All	New performan ce indicator for 2012/13. No comparati ves available	321	-	R

Service delivery indicators: Waste Water (Sanitation) Provision

▪ **Operational Budget: Wastewater Services**

Operational Expenditure 2012/13: Waste Water Services				
Description	2012/13			
	Budget	Actual Expenditure	Budget 2013/14	Budget 2014/15
Personal Expenditure	1 775 588.00	1 616 531.00	1 66 736.00	1 675 083.00
General Expenditure	1 708 746.00	1 374 943.00	1 551 131.00	1 612 052.00
Maintenance and Repairs	69 000.00	107 335.00	195 000.00	67 000.00
TOTAL	3 553 334.00	3 098 809.00	3 406 867.00	3 354 135.00

4. Electricity

▪ Introduction to Electricity

Local Government plays a very important role in the provision of electricity. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support. The Ubuntu Local Municipality is the service authority for the whole of Ubuntu Municipality region, and the service providers are both the Ubuntu Municipality's Electricity Services Department and Eskom. As the service authority, the Municipality is responsible for the following services:

- Reticulation, Free basic electricity, Public lighting and Energy policies

The Ubuntu Municipality supply of area is divided into two distribution or service areas, each district is responsible for the maintenance and safe operation of the electricity services network as well as new customer connections in its area.

The Energy Losses for the 2011/12 financial year was **25.6%** whilst the losses in the 2012/2012 financial year were only **25.5%**.

Service backlogs

Electricity service availability and access backlogs are primarily a problem in informal settlements, and these are currently being addressed by the Electricity Services Department and Eskom's electrification programmes. Ubuntu municipality is still having a backlog of electrifying the Richmond 60 Top structures which were upgraded from informal top structure to a formal top structure in the ESKOM area of supply. The Municipality is committed to working closely with the national power provider to ensure the successful completion of electrification programmes.

A focus on customer service

Ubuntu municipality has a book to which residents' electricity fault and power outage complaints are now directed. The "Minimum Standards and Reporting Lines for the Quality of Service of Electricity Supply to Customers" were published as a standard document, namely the NRS 047 Part 1 and Part 2. These specifications cover a number of services, including customer-driven complaints and enquiries. The standard response times and satisfaction indices for counter services, telephonic replies and written replies are stipulated in these documents.

▪ Highlights: Electricity

Highlights	Description
Network still holding on no faults reported. Most of the customers are happy	Almost 20 Household upgrade connections completed in Loxton and none unplanned outages during winter season.

Electricity service Highlights

▪ Challenges: Electricity

Description	Action to address
Meter tampering and bypassing of system	Mentors with Electrical department to work as a collective in investigating the Meter tempering act and Meter controller should be appointed
Eskom area of supply	Council needs to initiate a process to ascertain the possibility of taking over ESKOM area of supply in order to have uniform system in place

	to tackle the challenges of supply and revenue collection.
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Electricity service challenges

Service Delivery Levels: Electricity

Electricity Service Delivery Levels		
Households		
Description	2011/12	2012/13
	Actual	Actual
	No.	No.
Energy: (above minimum level)		
Electricity (at least min. service level)	423	36
Electricity - prepaid (min. service level)	1879	36
Minimum Service Level and Above sub-total	-	-
Minimum Service Level and Above Percentage	100	100
Energy: (below minimum level)		
Electricity (< min. service level)	-	-
Electricity - prepaid (< min. service level)	-	-
Other energy sources	-	-
Below Minimum Service Level sub-total	-	-
Below Minimum Service Level Percentage	-	-
Total number of households	2302	72

Electricity service delivery levels

▪ Service Delivery Indicators

R ef	KPI	Unit of Measureme nt	Wa rds	Previous Year Performanc	Overall Performance for 2012/13
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				e	Target	Actual	R
	Manage the electrical provisioning system to limit losses	% of electricity Unaccounted for	All	25.6%	25 %	25.6 %	G
	Develop a Electrical bulk Upgrading master plan	% completed	All	100% completed and submitted to the department	100 %	100 %	G
	Percentage of Households with at least minimum service level electricity	% completed	All	100%	100	100	G
	Replace streetlight bulbs within 10 working days after reporting	% within 10 working days	All	New performance indicator for 2012/13. No comparative s available	100 %	40%	R

Service delivery indicators: Electricity

▪ **Capital: Electricity**

Capital Expenditure 2011/12: Electrical Services					
R'000					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original budge	Total Project Value

Victoria West & Richmond High mast Lights	540	540	540	-	540
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Capital Expenditure 2011/12: Electricity Services

▪ **Operational Budget: Electricity Services**

Operational Expenditure 2012/13: Electricity Services				
Description	2012/13			
	Budget	Actual Expenditure	Budget 2013/14	Budget 2013/14
Personal Expenditure	1 404 926.00	899 307.00	1 245 678.00	1 325 403.00
General Expenditure	2 199 360.00	711 309.00	1 978 524.00	2 055 850.00
Bulk Purchases	10 922 222.00	8 520 157.00	9 364 045.00	10 113 169.00
Maintenance and Repairs	166 180.00	98 725.00	195 000.00	158 000.00
TOTAL	14 692 688	10 229 498.00	12 783 247.00	13 652 422.00

Operation Expenditure: Electricity services

5. WASTE MANAGEMENT (REFUSE COLLECTION)

▪ **Introduction to Waste Management**

Domestic refuse is currently removed on a weekly basis in all residential areas of Ubuntu. Various areas have street cleaners who clear the littering on a daily basis. The municipality has built dumping points (Refusal Bins) in the community to address the garden rubbish challenges. Informal dumping (littering) remains a major challenge but all areas are regularly cleaned up.

The municipality has a long-term vision to integrate waste management services in such a way that they do not only provide in basic needs, but also augment economic activity, and minimise the effects of waste on human and environmental health. To achieve this vision, the municipality needs a lot of national support and development, particularly given that waste minimisation and recycling activities.

▪ **Highlights: Waste Management**

Highlights	Description
Registration and licensing of Victoria West and Loxton Landfill sites	Feasibility Studies for new Landfill site in Victoria West and Loxton was conducted and the progress is 80% completed due to the EIA report that is still outstanding.

Waste Management services Highlights

▪ **Challenges: Waste Management**

Description	Action to address
Although the municipality tries to prevent illegal dumping by providing facilities around the towns for the disposal of waste the dumping of waste on public or private properties still occurs.	Temporary workers used to clean –up residential areas on a regular basis.

Waste Management Challenges

▪ **Service Delivery Levels: Solid Waste**

Solid Waste Service Delivery Levels		
Description	Households	
	2011/12	2012/13
	Actual	Actual
	No.	No.
Solid Waste Removal: (Minimum level)		
Removed at least once a week	5 129	5 129
Minimum Service Level and Above	5 129	5 129

sub-total		
Minimum Service Level and Above percentage	100	100
Solid Waste Removal: (Below minimum level)		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
Below Minimum Service Level sub-total	0	0
Below Minimum Service Level percentage	0	0
Total number of households	5 129	5 129

Solid Waste Service Delivery Levels

▪ **Service Delivery Indicators**

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2012/13		
					Target	Actual	R
	Remove waste weekly as per schedules	% implementation of schedules	All	New performance indicator for 2012/13. No comparatives available	95%	95%	G
	Households with refuse removed at least	Number of households	All	5 129	100%	100%	G

	once a week						
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Service delivery indicators: Solid waste management

▪ **Operation expenditure: Solid Waste Services**

Operational Expenditure 2012/13: Solid Water Services				
Description	2012/13			
	Budget	Actual Expenditure 2012/13	Budget 2013/14	Budget 2014/15
Personal Expenditure	3 570 249.00	2 530 373.00	3 153 429.00	3 361 746.00
General Expenditure	1 838 248.00	1 231 967.00	1 845 500.00	1 800 300.00
Maintenanc e and Repairs	180 000.00	120 019.00	160 000.00	170 000.00
TOTAL	5 588 497.00	3 882 359.00	5 158 929.00	5 332 046.00

6. HOUSING

▪ **Introduction to Housing**

The municipality follows an integrated approach to housing delivery to ensure social cohesion and a living environment that not only provides living space, but also all other required amenities. These facilities are also subject to ongoing maintenance to support and promote healthy lifestyles, but are not limited to residential areas. Ubuntu Municipality's Housing Division seeks to effectively address their housing need. This forms part of an ongoing strategy to provide an effective service delivery model for housing within the Ubuntu Municipal area.

During the period under review, the municipality delivered 100% of its targeted housing allocation for the year. This was achieved despite various challenges, including resistance from within communities, which caused delays or even the discontinuation of projects. To address these challenges, the municipality strives to keep the channels of

communication open with these communities, and to promote ongoing dialogue on current and future housing initiatives.

Housing need:

The need for an integrated residential development approach that addresses the whole spectrum of residential needs has been identified and the following main income categories have been considered:

- Subsidy housing >R3 500 per
- Gap housing-R3 500-R15 000 per month

Given the strategic decision to focus in the first instance on subsidy and Gap housing, the needs can be summarized as follows:

▪ **Prioritised housing sites**

Site	Property	Units
Subsidy: Priority 1		
Victoria West 270	IRDP	270
Subsidy: Priority 2		
Loxton 51	IRDP	51
Subsidy: Priority 3		
Richmond 60 Mud Houses	IRDP	60(80)
Subsidy Grand Total		341

Prioritised housing sites

▪ **Highlights: Housing**

Highlights	Description
Phase 1 Mud house 60 Richmond	Construction of 60 BNG houses in Richmond
Town planning in Ubuntu Municipality	Completion of 1500Units in Victoria West, 600Units in Richmond and 150 Units in Loxton

Housing Highlights

▪ **Challenges: Housing**

Description	Actions to address
Unskilled Labour	NHBRC to give training
SMME Development in Housing	Assist emerging contractors & local brick makers
Housing allocation and	The department to allocate sufficient amount

quantum amount	of top structures to meet the required backlog.
----------------	-------------------------------------------------

Housing Challenges

The following table shows the increase in the number of people on the housing waiting list. There are currently approximately 3999 housing units on the waiting list.

Financial year	Number of housing units on waiting list	% Housing waiting list increase/(decrease)
2011/12	950	40
2012/13	1805	90

Housing waiting list

A summary of houses built, includes:

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000	R'000			
2012/13	0.00	0.00	0	0	285

Houses built in 2012/13

c) Delivery Indicators Service

R ef	KPI	Unit of Measure ment	W ar ds	Previous Year Performance	Overall Performance for 2012/13		
					Targ et	Actu al	R
	Provide services for new housing sites	Number of serviced sites		New performance indicator For 2012/13. No comparatives available	285	0	R

Service delivery indicators: Housing

7. Roads

a) Introduction to Roads

Transport systems are essential to the functioning of smooth-running municipalities and as critical facilitator of the mobility access is needed to support a healthy economy. Mobility in Ubuntu Municipality takes various forms, including walking, cycling, private car, commuter bus, mini-bus taxi as well as other options since the municipality is situated across the N12 and N1, both in Victoria West and Richmond. At present 75% of all municipal streets are still gravel roads which cause a great deal of inconvenience following rain and strong dust season. For the past financial year the municipality tarred more than 1.5 km from MIG funding. The construction plans of tarring more than 4 km of road will kick-start in 2013/14 financial year.

a) Highlights: Roads

Highlights	Description
Road maintenance	Road maintenance
Upgrading of gravel roads	Upgrading of gravel access roads to sealed tarred roads

Roads Highlights

b) Challenges: Roads

Description	Actions to address
At present 75% of all roads are still gravel roads and major problems are experienced with dust and storm water problems.	Application for additional funding from other spheres of government
The tarred roads are in urgent need of resealing and problems are experienced with potholes especially after rain. During the past year potholes were repair on a regular basis.	

Roads Challenges

a) Operation expenditure: Road and Storm-water Services

Operational Expenditure 2012/13: Roads and Storm-water Services	
Description	2012/13

	Budget	Actual Expenditure 2012/13	Budget 2013/14	Budget 2014/15
<i>Personal Expenditure</i>	7 856 350.00	3 757 806.00	676 623.00	643 413.00
<i>General Expenditure</i>	1 466 287.00	509 142.00	2 804 173.00	2 809 173.00
<i>Maintenanc e and Repairs</i>	95 000.00	276 130.00	350 000.00	375 000.00
TOTAL	9 417 637.00	4 543 078.00	3 830 796.00	3 827 586.00

Operation Expenditure 2012/13: Roads and Storm-water

8. (Storm-water drainage)

a) Highlights:(Storm-water Drainage)

Highlights	Description
External storm water drainage Phase 1 and 2	Adequate storm water infrastructure: Open lined channels, box culverts, pipe culverts and unlined channels.

Waste Water (Stormwater drainage) highlights

b) Challenges: Waste Water (Stormwater Drainage)

Description	Actions to address
Internal storm water drainage Phase 1 and 2 due to poor internal services which causes flooding	Funding from M I G

Waste Water (Stormwater drainage) Challenges

The table below indicates the amount of money spend on stormwater projects

c) Services Delivery Indicators

	KPI	Unit of	War	Previous Year	Overall
--	-----	---------	-----	---------------	---------

Ref		Measurement	ds	Performance	Performance for 2012/13		
					Target	Actual	R
	Upgrade the storm water system in municipal area	% completion	All	100%	100%	95%	G
	Maintain storm water assets	% of maintenance budget of storm water spent	All	95%	95%	90%	G
	Develop a business plan and submit to Council for approval of Phase 1 & 2 of the internal stormwater project	% completion	All	New performance indicator for 2012/13.No comparatives available	100%	-	R

Services Delivery Indicators: Storm water

d) Capital: (Storm-water Drainage)

Capital Expenditure 2012/13: Waste Water (Storm water drainage)					
Capital Projects	2012/13				
	Budget	Budget Adjustment	Actual	Variance from	Total Project

		Budget	Expenditure	original budget	Value
Ubuntu Storm water	R 3 225 872.00	R 3 225 872.00	R 3 225 872.00	(0.00)	R 3 225 872.00

Capital expenditure: Storm water

MUNICIPAL INFRASTRUCTURE GRANTS / CAPITAL PROJECTS

Herewith is the Project Status quo regarding all approved / registered projects in this financial year 2012/ 13 with their implementation plan and financial projections respectively

DESCRIPTION	AMOUNT
M I G ALLOCATION 2012/13	R11 510 000.00
EXPENDITURE TO DATE	R 9 208 000.00
% ALLOCATION SPENT	80 %
OUTSTANDING BALANCE TO BE REPORTED	R 2 302 000.00

a) CAPITAL PROJECT: (Storm-water Drainage)

PROJECT SPECIFICATION OUTPUTS AND PROGRESS REPORT

The project consists of the following components / task

- Upgrading, rehabilitation of Storm water and existing embankment of phase 2 continuity of Phase 1.
- The construction of storm water channels in Loxton, Victoria West, Richmond and Hutchinson; this also includes the construction of new culvert, rehabilitation of Low-foot Bridge and pipe structure in Richmond and Victoria West.

- Suitable material will be located at each of the towns for backfilling of the embankment, filling of the gabions and stone pitching

Capital Expenditure 2012/13: (Storm-water drainage)						
Capital Projects	2012/13					
	Budget	Budget Adjustment Budget	Actual Expenditure	Variance from original budget	Work Opportunities created	Milestone Achieved
Ubuntu Stormwater Phase 2	R 3 225 872.00	R 3 225 872.00	R 3 225 872.00		175 W.O. C = 5 months project duration	Overall Progress = 95%. Storm-water Embankment and channels completed. Construction of Low-foot bridge 100% Completed with the installation of culverts in Victoria West at 75 % Completed

Capital Expenditure 2012/13: Storm-water

CAPITAL: ROADS

UBUNTU UPGRADING OF STREETS : NOORDE STREET

ROAD NAME	LENGTH	WIDTH	SURFACING	SIDE WALKS / GRAVEL	COMPLETION / PROGRESS
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<u>Collector Street:</u> NOORDE STREET	1.47 Km	7.00 m	Tar	1.47 X 2	100%
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UBUNTU UPGRADING OF STREETS : NEW BRIGHT STREETS

ROAD NAME	LENGTH	WIDTH	SURFACING	SIDE WALKS / GRAVEL	COMPLETION/ PROGRESS
<u>Collector Street:</u> ENTABENI STREET	0.54 Km	7.00 m	Tar	0.54 X 2	100%
BHONGWENI STREET	0.95 Km	7.00 m	Tar	0.95 X 2	50 %
BHOKWE STEET	0.54 Km	7.00 m	Tar	0.54 X 2	100%
UMFULA ONDZULU	0.54 Km	7.00 m	Tar	0.54 X 2	40 %

Capital Expenditure 2012/13: Roads					
Capital Projects	2012/13				
	Budget	Budget Adjustment Budget	Actual Expenditure	Variance from original budget	Work Opportunities created
TOTAL ALL	R 8 284 128.00	R 8 284 128.00	R 5 982 128.00	R 2 302 000.00	90 W.O.C = 5 months project duration each.

NOORDE	R 2 750 000.00	R 2 750 000.00	R 2 150 000.00	R 600 000.00	40 W.O.C = 5 months project duration
NEW BRIGHT	R 5 534 128.00	R 5 534 128.00	R 3 832 128.00	R 1 702 000.00	50 W.O.C = 5 months project duration

INCENTIVE GRANT: E P W P

INCENTIVE GRANT Capital Expenditure 2012/13: Extended Public Works Programme						
R '000						
Capita I Projec	2012/13					
	Budg et	Adjustm ent	Actual Expendit	Varian ce	Work Opportunit	Milesto ne

ts		Budget	ure	from Origin al budget	ies created	Achiev ed
Total All	R1 00 0	R1 000	R 1 000		175	R 1 000

Capital Expenditure 2012/13: Incentive Grant

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The LED Officer has finalized his LED training during the year. LED Forums is in place but does not function well. The following projects have started in the Municipal area.

Biesiespoort Wind Farm

Abattoir Project Victoria West

Sheep shearing Project in Loxton

Davidskraal Karoo Photo-Voltaic Solar Power Plant

Shell South Western Karoo Basin Gas Exploration

Schanskraal Project

Small and Upcoming farmers

EPWP Municipal Projects

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Libraries

The seven libraries in the Municipal area circulated books and library materials to the public on a daily basis. Different programmes were held with the public and the different school and crèches in the Municipal area. This department appointed 4 temporally assistant librarians 3 cleaner and 1 gardener at the libraries on a one year contract basis. The Library Development Programme was not implement successfully due to late and non payment of grant funding by the department .Not all the money that that was allocated to us were received. We also sit with the challenge of lost library material due ill discipline members of the public who does not bring back the material they have borrowed.

Archives

The registry personnel handled all correspondences on a daily basis and distributed it to the different head of department. Filing and recordkeeping was done daily. Post of mail and parcel has also been done by this staff.

Child care

This is not a Municipal function but Ubuntu Municipality has avail buildings to the communities in Richmond, Hutchinson and Victoria West free of charge.

Social Programmes

Ubuntu was involved in the following social programme during the year under review.

Avail accommodation to the Soup kitchen in Victoria West & Richmond, Loxton

Involve in the policing forum

Back to school campaign

Sixteen day of activism against women and children abuse

World aids day activities

Mandela day activities

Cleaning campaigns

55 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETORIES & CREMATORIUMS

Ubuntu Municipality provide to all the communities with cemetery service. The community buy grave sites from the Municipality and dig their hole. A fully compliant grave register was kept. The municipality do not provide cremations service. The cemeteries are not in good conditions. A Wall was build around one of the cemeteries in Victoria West. Cemeteries were cleaned on a regular basis by project and Municipal Staff. Currently we don't have permanent staff at the cemeteries

COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections.

INTRODUCTION TO HEALTH

Ubuntu Municipality is not providing clinical, ambulance services to the communities. These services are rendered by the Department of Health. Loxton, Hutchinson and Merriman don't have ambulance services. They make use of the ambulance services of Victoria West or Richmond. This is a huge

challenge for these communities. Environmental Health services were provided by an Environmental Health practitioner on a daily basis to all communities.

COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION TO SECURITY & SAFETY

Ubuntu Municipality is only providing fire services to the communities.

COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

INTRODUCTION TO SPORT AND RECREATION

Ubuntu Municipality have some community halls, soccer, netball, rugby, tennis courts, squash court, gym, caravan parks etc. These facilities are not in good conditions due to vandalism. Our budget is very tight to upgrade and maintain these facilities. The Old Stadium in Sunrise (Victoria West) was upgraded with funds received from Department of Sport Arts & Culture. Equipment for a gym were donated to the Richmond community by the department. Minor upgrading work was done by an American company on the Richmond Skougrode facilities.

3.70 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

This services is not provided by the Municipality

3.71 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

HUMAN RESOURCE MANAGEMENT

The council supports the national Labour legislation, Bargaining Council Agreements, Guidelines, council's policies and Skills Development legislations.

ORGANIGRAM

The organogram was reviewed during 2011 and approved by the council.

STAFF ESTABLISHMENT

The council's staff establishment is as follows:

Approved post according to the Organogram	- 151
Filled posts	- 113

Vacant posts	- 38
Mentor posts filled	- 14
Mentor posts vacant	- 2
Community Development Workers	- 7
Temporally Staff in service	- 54
Financial interns	-9
NEW APPOINTMENTS	
The following appointments were made during the year:	
30 General workers	
RETIREMENTS	
The following worker retired from the service of Ubuntu Municipality:	
Normal retirement - 1	
Early Retirement - 4	
Retirement because of ill health - 0	
RESIGNATIONS / DISMISSALS / DEATH IN SERVICES /	
The following worker is no more in service of the Municipality due to the following reasons:	
Resignations –	6
Dismissals –	0
Death in services –	1
Transferred –	1 (Department of Health)

All worker which retired, resigned, were dismissed or who died in service received their benefits from the pension funds and the Municipality. No cases is outstanding

SKILLS DEVELOPMENT

The skills development plan were compiled and submitted on the 30 June 2013 to LGSETA for the year under review. We have implemented the plan. The following training was conducted during the year:

CPMD - 6

MFMP – 7

Electricity training – 2

Plumbing training – 2

Roads Maintenance Training – 3

K53 Traffic Training – 3

Vehicle Examiner Training - 2

EMPLOYMENT EQUITY PLAN

The Employment Equity Plan were compiled and consulted with the unions and was submitted to the Department of Labour. We have reviewed the plan and will implement it when we fill the vacancies on our organogram.

PERFORMANCE MANAGEMENT SYSTEM

All section 56 and 57 employees signed their performance contracts for the year under review.

OCCUPATIONAL HEALTH AND SAFETY

The department have established and trained Health & Safety Committee to supervise Occupational Health and Safety issue. We have also appointed Health & Safety Representatives in the different section. Regular health and safety meetings were held during the year. We have only reported 3 minor accidents to the Compensation Commissioner. No serious accidents were reported.

JOB DESCRIPTIONS

The Municipality developed job description for all employees. A benchmarking process were followed to grade the post on the organogram

DISCIPLINE AND DISCIPLINARY HEARINGS

The general discipline of the workers has improved. When a staff member is involve in misconduct we charge him and take him to a disciplinary hearing as prescribed by the Disciplinary Code Agreement. We had 6 disciplinary hearings during the year of which all case were successfully handled by the employer. The case range from under the influence of alcohol; absent from work with out leave or permission; Damage of councils property. Two cases were referred to the SALGBC for conciliation and 2 for arbitration.

LOCAL LABOUR FORUM (LLF)

The LLF was established to consult and to negotiate labour related cases as prescribed in the Organisational Rights Agreement. The Municipality have oversee that all bargaining council agreements have been adhered to as prescribed by the Organisational Rights Agreement and the Municipal Systems Act. Our challenge is the weak attendance of LLF meetings by all parties due to other commitments and programmes

LEAVE

The department captured all leave taken on a weekly basis on the financial system. On a monthly basis a leave register was printed and kept for audit purposes. It was also discovered /found that the leave system have some faults. The department requested the service provider (Sabata) to do the necessary rectification. No disputes were lodge by employees.

3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Ubuntu Municipality do not have a fully functional ICT section. We make use of services provider to render these services.

3.73 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

Ubuntu have a fully compliance asset register in place. All properties are maintained with the available budget. An asset manager is checking and

counting council property on a regular basis. Council properties have been fully assured with an insurer. Council have valued all its properties. Legal services have been outsourced and we also receive legal assistance from the district Municipality and the office of the States Attorney. Ubuntu have a section who is dealing with the procurement of good and services. All the relevant supply chain committees are in place. The necessary policies have been approved by council to do procurement.

3.73.1

4.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						
R' 000						
Description	2010/11	Current Year: 2011/12			2011/12 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust ments Budget
Financial Performance						
Service charges	12 242	8 264	11 134	14 039	41%	21%
Investment revenue	1 954	2 050	2 120	1 929	-6%	-10%
Transfers recognised - operational	16 302	18 061	18 623	19 579	8%	5%
Other own revenue	20 730	17 619	18 230	23 241	24%	22%
Total Revenue (excluding capital transfers and contributions)	53 760	49 875	54 412	62 020	20%	12%
Employee costs	17 005	23 279	24 456	20 059	-16%	-22%
Remuneration of councillors	1 752	1 850	2 050	1 857	0%	-10%
Depreciation & asset impairment	5 404	5 358	5 358	5 284	-1%	-1%
Finance charges	948	453	556	851	47%	35%
Materials and bulk purchases	7 539	8 450	10 138	8 873	%	%
Transfers and grants	-	-	-	-		
Other expenditure	30 711	26 866	36 776	31 730	15%	-16%
Total Expenditure	63 358	66 255	79 333	68 655	3%	-16%
Surplus/(Deficit)	(9 598)	(16 381)	(24 921)	(6 635)	-147%	-276%
Transfers recognised - capital	3 430	9 488	9 488	8 941		
Contributions recognised - capital & contributed assets	-	-	-	-		
Surplus/(Deficit) after capital transfers & contributions	(6 168)	(6 893)	(15 433)	2 306	399%	769%
Share of surplus/ (deficit) of associate	-	-	-	-		
Surplus/(Deficit) for the year	(6 168)	(6 893)	(15 433)	2 306	399%	769%

<u>Capital expenditure & funds sources</u>						
Capital expenditure						
Transfers recognised - capital	3 430	9 488	9 488	8 941	%	%
Public contributions & donations	120	–	–	1 766	100%	100%
Borrowing	–	–	–	1 156	%	%
Internally generated funds	2 597	–	292	1 131	100%	74%
Total sources of capital funds	6 147	9 488	9 780	12 994	27%	25%
<u>Financial position</u>						
Total current assets	8 100	2 762	2 092	4 015	31%	48%
Total non current assets	137 060	152 133	139 385	144 593	-5%	4%
Total current liabilities	17 589	27 924	29 774	16 059	-74%	-85%
Total non current liabilities	5 537	8 101	5 379	8 208	1%	34%
Community wealth/Equity	122 034	118 871	106 324	124 341	4%	14%
<u>Cash flows</u>						
Net cash from (used) operating	5 130	13 948	15 954	9 434	-48%	-69%
Net cash from (used) investing	(6 321)	(9 748)	(12 919)	(13 152)	26%	2%
Net cash from (used) financing	(192)	(1 716)	(196)	720	338%	127%
Cash/cash equivalents at the year end	(1 383)	16 390	(12 294)	(2 998)	647%	-310%
<u>Cash backing/surplus reconciliation</u>						
Cash and investments available	4 912	10 367	(13 708)	2 010	-416%	782%
Application of cash and investments	4 573	(399)	11 161	4 483	109%	-149%
Balance - surplus (shortfall)	339	10 766	(24 869)	(2 473)	535%	-906%
<u>Asset management</u>						
Asset register summary (WDV)	135 630	133 787	137 955	143 071	6%	4%
Depreciation & asset impairment	5 404	5 358	5 358	5 284	-1%	-1%
Renewal of Existing Assets	–	–	–	–	%	%
Repairs and Maintenance	2 154	5 434	5 572	1 897	-187%	-194%
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1</i>						

T5.1.1

Financial Performance of Operational Services						
R '000						
Description	2010/11	2011/12			Year 1 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	4 819	2 409	2 480	3 006	0.00%	0.00%
Waste Water (Sanitation)	3 113	3 001	3 501	2 968	0.00%	0.00%
Electricity	9 054	11 681	13 532	10 663	0.00%	0.00%
Waste Management	2 299	1 900	2 030	1 759	-8.03%	-15.42%
Housing	-	-	-	-	0.00%	0.00%
Component A: sub-total	19 285	18 992	21 542	18 396	-3.24%	-17.10%
Waste Water (Stormwater Drainage)	-	-	-	-	0.00%	0.00%
Roads	5 802	1 891	1 953	2 481	21.29%	21.29%
Transport	15 610	3 251	11 755	15 908	0.00%	0.00%
Component B: sub-total	21 412	5 142	13 709	18 389	72.04%	25.45%
Planning	4 927	5 152	6 029	5 956	13.51%	-1.22%
Local Economic Development	5	7	7	0	0.00%	0.00%
Component C: sub-total	4 931	5 159	6 036	5 957	13.39%	-1.34%
Human Development	-	-	-	-	#DIV/0!	#DIV/0!
Local Economic Development	-	-	-	-	0.00%	0.00%
Component D: sub-total	-	-	-	-	#DIV/0!	#DIV/0!
Environmental Management	-	-	-	-	#DIV/0!	#DIV/0!
Component E: sub-total	-	-	-	-	#DIV/0!	#DIV/0!
Health	149	323	100	61	-426.22%	-63.45%
Component F: sub-total	149	323	100	61	-426.22%	-63.45%
Fire Services	163	182	186	67	-171.56%	-178.89%
Disaster Management	-	-	-	-	#DIV/0!	#DIV/0!
Component G: sub-total	163	182	186	67	-171.56%	-178.89%
Sport and Recreation	1	120	120	-	#DIV/0!	#DIV/0!
Component H: sub-total	1	120	120	-	#DIV/0!	#DIV/0!
Executive & Council	3 777	5 146	5 215	5 734	10.24%	9.04%
Financial Services	10 129	19 199	21 796	15 314	-25.37%	-42.33%
Human Resource Services	-	-	-	-	#DIV/0!	#DIV/0!
Support Services	3 511	10 437	10 628	4 737	-120.32%	-124.35%
Component D: sub-total	17 417	34 782	37 639	25 784	-34.90%	-45.97%
Total Expenditure	63 358	64 699	79 333	68 655	5.76%	-15.55%

.2GRANTS

Grant Performance						
R' 000						
Description	2010/11	2011/12			2011/12 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
-						
<u>Operating Transfers and Grants</u>						
National Government:	15 847	17 909	17 898	18 992	5.70%	5.76%
Equitable share	13 986	15 669	15 618	15 157	-3.38%	-3.04%
Municipal Systems Improvement	394	790	790	873	9.51%	9.51%
Department of Water Affairs	-	-	-	471	100.00%	100.00%
Skills Development	38	-	40	101	100.00%	60.25%
Finance Management Grant	1 186	1 450	1 450	1 444	-0.43%	-0.43%
Municipal Infrastructure Grant	243	-	-	946	100.00%	100.00%
Provincial Government:	232	-	725	587	100.00%	-23.47%
Library	232	-	725	587	100.00%	-23.47%
Other grant providers:	223	-	-	-	#DIV/0!	#DIV/0!
Water Project	223	-	-	-	#DIV/0!	#DIV/0!
Total Operating Transfers and Grants	16 302	17 909	18 623	19 579		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						
T5.2.1						

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 2010/11	Actual Grant 2011/12	2011/12 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
DWA	223 370	489 293	-	Once-off	N/A	Upgrading of water infrastructure
A - "Project 2"						
B - "Project 1"						

B - "Project 2"						
Foreign Governments/Development Aid Agencies						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Private Sector / Organisations						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
<i>Provide a comprehensive response to this schedule</i>						T5.2.3

4.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Ubuntu Municipality have an approve Asset Management policy. The Asset Manager (financial intern) captures all new assets on monthly basis on to the asset register. The asset manager marks all assets with a unique barcode. For the year under review no auctions took place to dispose absolute items.

Repair and Maintenance Expenditure: 2011/12				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	5 434	5 572	1 897	65.10%
				T5.3.4

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

No staff members were charge or suspended for financial misconduct during the year under review.

T4.3.7

4.4 PERFORMANCE REWARDS

COMMENT ON PERFORMANCE REWARDS:

See performance report

T4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

A few employees were trained on the following trainings

CPMD Training - 6

MFMP Training - 7

Road Maintenance 3

Plumbing Training - 2

Electricity Training - 2

K53 Traffic Training - 3

Vehicle Examiner Training – 2

T4.5.0

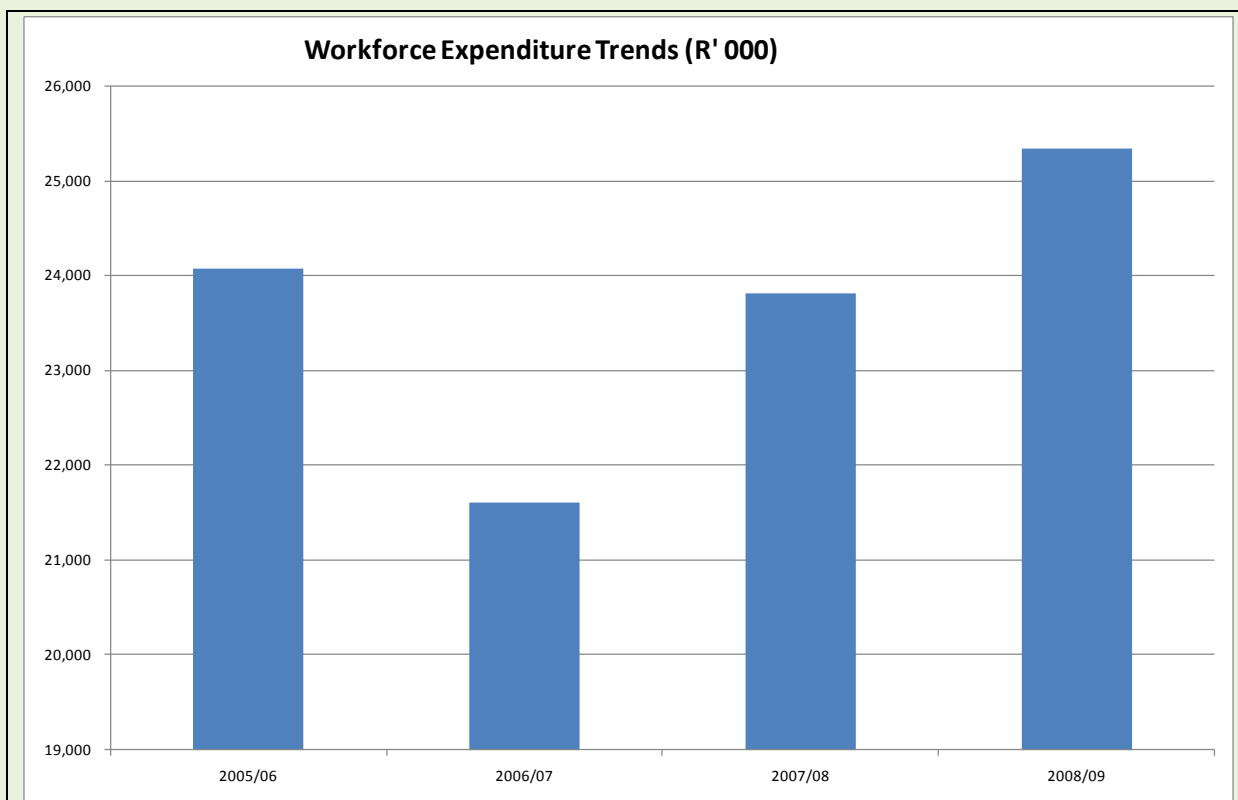
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Delete Directive note once comment is complete – Explain the importance of managing workforce expenditure, the pressures to overspend and how spending is controlled (e.g. within approved establishment and against budget and anticipated vacancy rates arising from turnover). Also explain how municipality seeks to obtain value for money from work force expenditure.

T4.6.0

4.6 EMPLOYEE EXPENDITURE



Source: MBRR SA22

T4.6.1

No salaries of employees were increased due to their position been upgraded

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation

T4.6.3

Two employees' salaries exceeded the grade determined by the Job Evaluation

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

No post were upgraded

T4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

All council and seniors have disclosed their financial interest as prescribed by legislation

T4.6.6

CHAPTER 5 – FINANCIAL PERFORMANCE

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						
R' 000						
Description	2011/12	Current Year: 2012/13			2012/13 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Service charges	14 039	16 409	16 409	15 861	-3%	-3%
Investment revenue	1 929	2 180	2 180	2 341	7%	7%
Transfers recognised - operational	19 577	20 785	20 785	21 970	5%	5%
Other own revenue	23 241	20 641	20 641	19 859	-4%	-4%
Total Revenue (excluding capital transfers and contributions)	62 018	66 211	66 211	66 038	0%	0%
Employee costs	20 076	28 606	28 606	23 347	-23%	-23%
Remuneration of councillors	1 828	2 030	2 030	2 194	7%	7%
Depreciation & asset impairment	5 234	5 724	5 724	5 985	4%	4%
Finance charges	851	650	650	972	33%	33%
Materials and bulk purchases	8 873	9 317	9 317	10 915	%	%
Transfers and grants	–	–	–	–	#DIV/0!	#DIV/0!
Other expenditure	31 727	34 984	34 984	32 689	-7%	-7%
Total Expenditure	68 589	81 312	81 312	76 102	-7%	-7%
Surplus/(Deficit)	(6 571)	(15 101)	(15 101)	(10 064)	-50%	-50%
Transfers recognised - capital	8 944	11 510	11 510	8 718	%	%
Contributions recognised - capital & contributed assets	–	–	–	–	#DIV/0!	#DIV/0!
Surplus/(Deficit) after capital transfers & contributions	2 372	(3 591)	(3 591)	(1 346)	-167%	-167%
Share of surplus/ (deficit) of associate	–	–	–	–	%	%
Surplus/(Deficit) for the year	2 372	(3 591)	(3 591)	(1 346)	-167%	-167%
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	8 944	11 510	11 510	8 718	-32%	-32%

Public contributions & donations	1 766	–	–	–	#DIV/0!	#DIV/0!
Borrowing	–	–	–	–	%	%
Internally generated funds	2 287	1 455	1 455	4 276	66%	66%
Total sources of capital funds	12 997	12 965	12 965	12 994	0%	0%
<u>Financial position</u>						
Total current assets	4 033	2 053	2 053	4 799	57%	57%
Total non current assets	146 392	146 686	146 686	149 810	2%	2%
Total current liabilities	16 111	40 548	40 548	21 381	-90%	-90%
Total non current liabilities	8 208	5 458	5 458	8 469	36%	36%
Community wealth/Equity	126 106	102 733	102 733	124 760	18%	18%
<u>Cash flows</u>						
Net cash from (used) operating	9 436	13 948	15 954	8 944	-56%	-78%
Net cash from (used) investing	(13 154)	(9 748)	(12 919)	(9 509)	-3%	-36%
Net cash from (used) financing	720	(1 716)	(196)	(346)	-395%	43%
Cash/cash equivalents at the year end	488	16 390	(12 294)	(423)	3973%	-2805%
<u>Cash backing/surplus reconciliation</u>						
Cash and investments available	2 010	(23 754)	(23 754)	1 194	2090%	2090%
Application of cash and investments	9 669	11 132	11 132	7 404	-50%	-50%
Balance - surplus (shortfall)	(7 659)	(34 886)	(34 886)	(6 210)	-462%	-462%
<u>Asset management</u>						
Asset register summary (WDV)	144 870	145 196	145 196	148 194	2%	2%
Depreciation & asset impairment	5 234	5 724	5 724	5 985	4%	4%
Renewal of Existing Assets	–	–	–	–	%	%
Repairs and Maintenance	1 897	5 026	5 026	1 358	-270%	-270%
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1</i>						

T5.1.1

Financial Performance of Operational Services						
R '000						
Description	2011/12	2012/13			2012/13 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	3 030	3 369	3 369	3 456	0.00%	0.00%
Waste Water (Sanitation)	2 968	2 855	2 855	3 470	0.00%	0.00%
Electricity	10 673	13 170	13 170	12 533	0.00%	0.00%
Waste Management	1 759	2 255	2 255	2 684	15.99%	15.99%
Housing	–	–	–	–	0.00%	0.00%
Component A: sub-total	18 431	21 648	21 648	22 142	2.23%	2.23%
Waste Water (Stormwater Drainage)	–	–	–	–	0.00%	0.00%
Roads	2 481	4 582	4 582	2 532	-81.00%	-81.00%
Transport	15 908	4 179	4 179	4 615	0.00%	0.00%
Component B: sub-total	18 389	8 762	8 762	7 147	-22.59%	-22.59%
Planning	5 956	8 377	8 377	5 747	-45.76%	-45.76%
Local Economic Development	0	12	12	–	0.00%	0.00%
Component C: sub-total	5 957	8 389	8 389	5 747	-45.97%	-45.97%
Human Development	–	–	–	–	#DIV/0!	#DIV/0!
Local Economic Development	–	–	–	–	0.00%	0.00%
Component D: sub-total	–	–	–	–	#DIV/0!	#DIV/0!
Environmental Mangement	–	–	–	–	#DIV/0!	#DIV/0!
Component E: sub-total	–	–	–	–	#DIV/0!	#DIV/0!
Health	61	–	–	–	#DIV/0!	#DIV/0!
Component F: sub-total	61	–	–	–	#DIV/0!	#DIV/0!
Fire Services	67	336	336	78	-330.46%	-330.46%
Disaster Management	–	–	–	–	#DIV/0!	#DIV/0!
Component G: sub-total	67	336	336	78	-330.46%	-330.46%
Sport and Recreation	–	148	148	4	-4048.07%	-4048.07%
Component H: sub-total	–	148	148	4	-4048.07%	-4048.07%

Executive & Council	5 707	7 248	7 248	5 352	-35.42%	-35.42%
Financial Services	15 314	16 334	16 334	18 394	11.20%	11.20%
Human Resource Services	-	-	-	-	#DIV/0!	#DIV/0!
Support Services	4 663	7 554	7 554	4 957	-52.39%	-52.39%
Component D: sub-total	25 684	31 136	31 136	28 703	-8.48%	-8.48%
Total Expenditure	68 589	70 418	70 418	63 820	-10.34%	-10.34%

In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T5.1.2

COMMENT ON FINANCIAL PERFORMANCE:

For the year under review the council of Ubuntu did not approve an adjustment budget thus the variances.

T5.1.3

5.2 GRANTS

Grant Performance						
R' 000						
Description	2011/12	2012/13			2012/13 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
-						
<u>Operating Transfers and Grants</u>						
National Government:	18 992	20 035	20 035	21 481	6.73%	6.73%
Equitable share	15 157	17 705	17 705	17 705	0.00%	0.00%
Municipal Systems Improvement	873	800	800	245	-227.14%	-227.14%
Department of Water Affairs	471	-	-	64	100.00%	100.00%
Skills Development	101	30	30	96	68.65%	68.65%
Finance Management Grant	1 444	1 500	1 500	1 500	0.00%	0.00%
Expanded Public Works Program (EPWP)	-	-	-	1 000	100.00%	100.00%
Municipal Infrastructure Grant	946	-	-	872	100.00%	100.00%
Provincial Government:	585	750	750	466	-60.88%	-60.88%
Library	585	750	750	466	-60.88%	-60.88%
District Municipality:	-	-	-	23		
Upgrading of Sportsgrounds	-	-	-	23	100.00%	100.00%
Total Operating Transfers and Grants	19 577	20 785	20 785	21 970		

COMMENT ON OPERATING TRANSFERS AND GRANTS:

In 2011/2012 financial year the municipality had commitments on the MSIG yet not paid which than rolled over to 2012/2013.

T5.2.2

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 2011/12	Actual Grant 2012/13	2011/12 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
DWA	489 293	692 036	-	Once-off	N/A	Upgrading of water infrastructure
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Foreign Governments/Development Aid Agencies						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						

B - "Project 2"						
Private Sector / Organisations						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
<i>Provide a comprehensive response to this schedule</i>						T5.2.3

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT	
<p>The municipality, due to financial constraints yet does not have a standalone asset management unit, however functions are decentralised without compromising quality of work.</p>	
T5.3.1	

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 1				
Asset 1				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	Year -2	Year -1	Year 0	Year 1
Capital Implications				

Future Purpose of Asset	
Describe Key Issues	
Policies in Place to Manage Asset	

Asset 2				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
	Year -2	Year -1	Year 0	Year 1
Asset Value				
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				

Asset 3				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	Year -2	Year -1	Year 0	Year 1
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
T5.3.2				

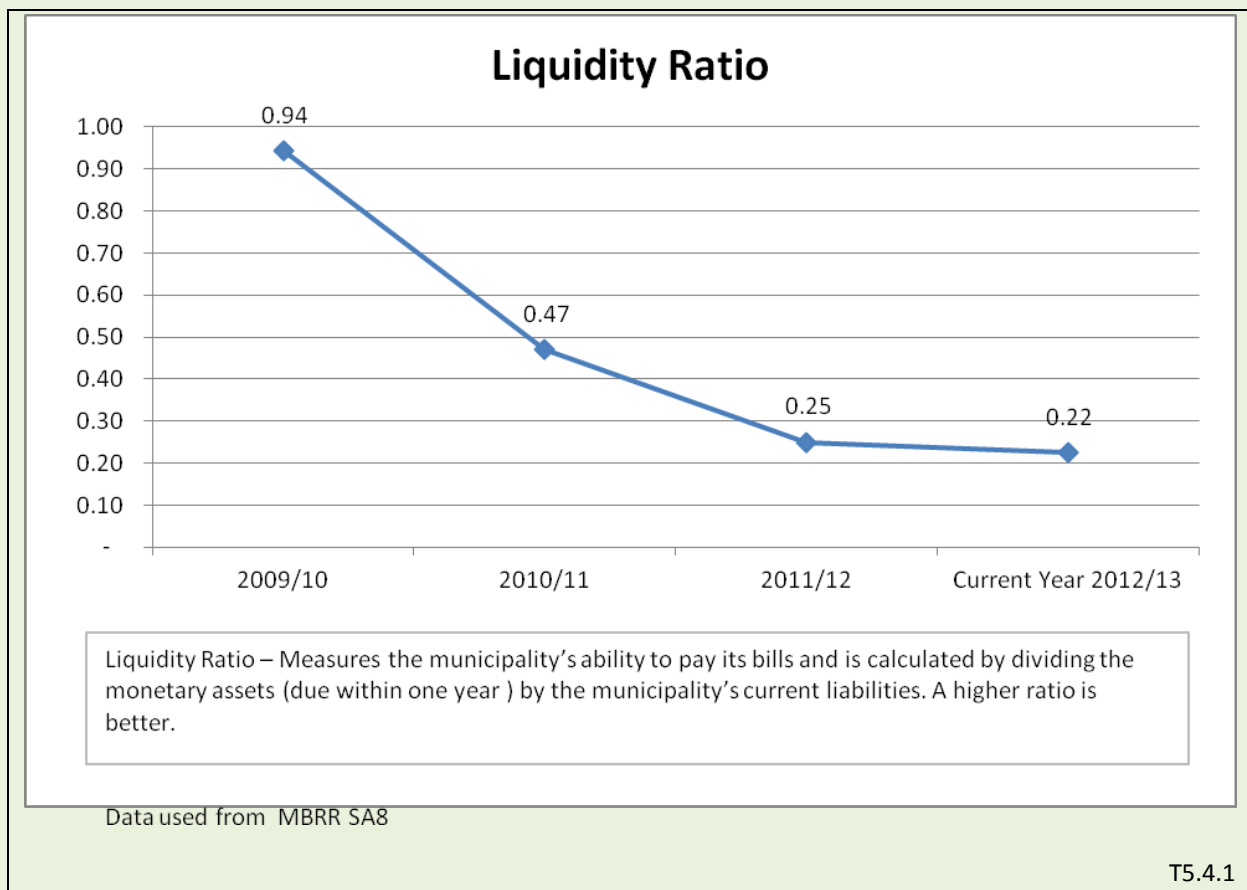
Repair and Maintenance Expenditure: 2012/13				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	5 026	5 026	1 358	72.99%
T5.3.4				

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

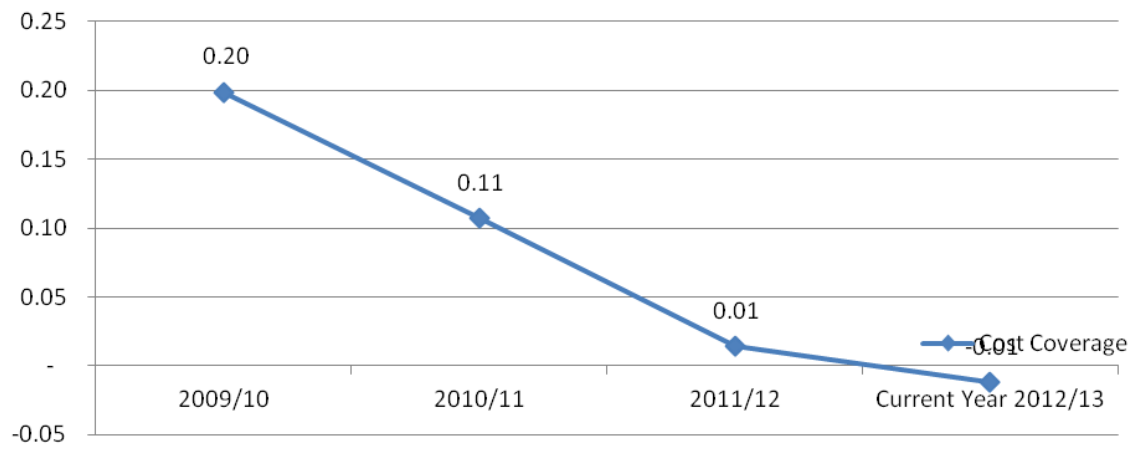
Assets are repaired and maintained on a regular basis to ensure basic service delivery. The municipality has a bigger need for replacement but is financial challenged.

T5.3.4.1

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



Cost Coverage

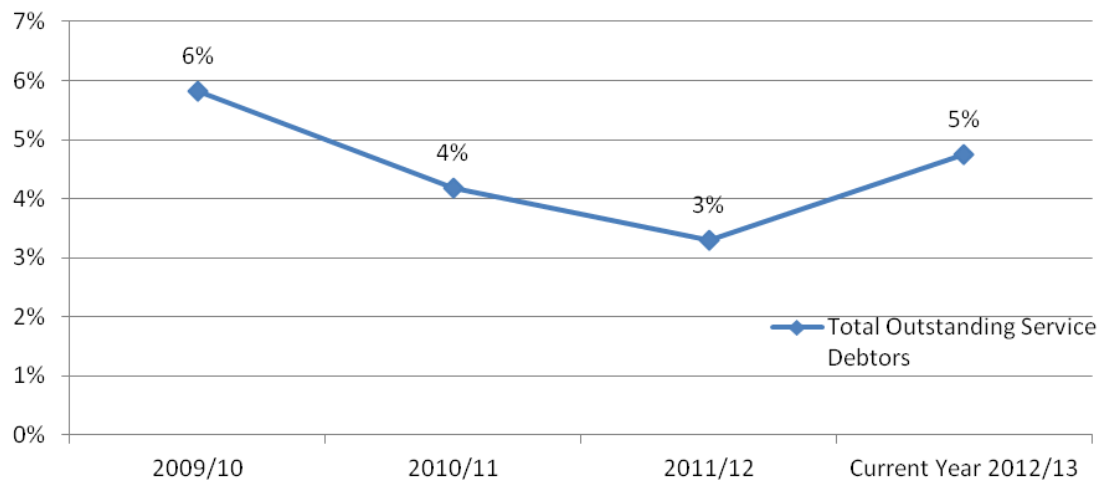


Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants

Data used from MBRR SA8

T5.4.2

Total Outstanding Service Debtors

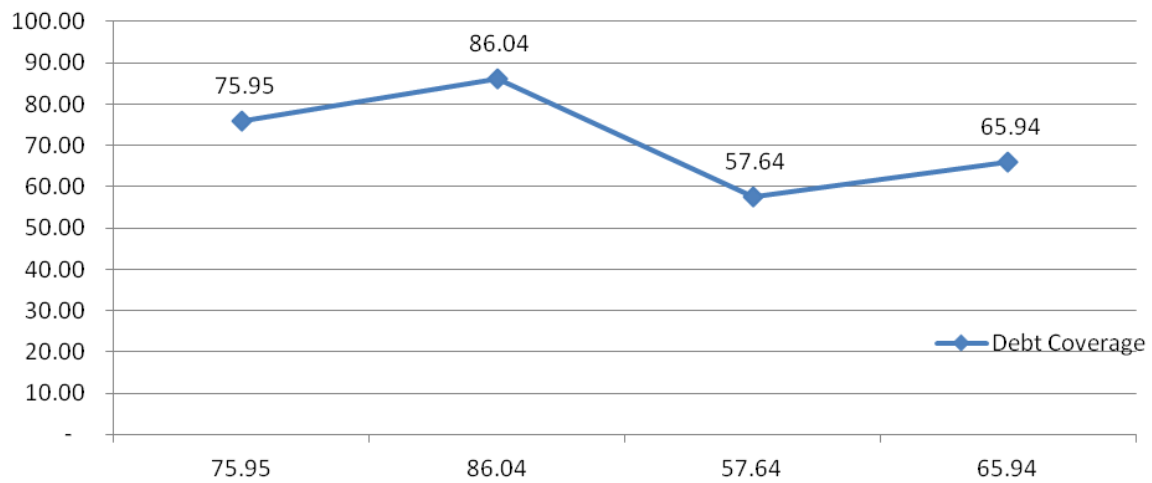


Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

Data used from MBRR SA8

T5.4.3

Debt Coverage

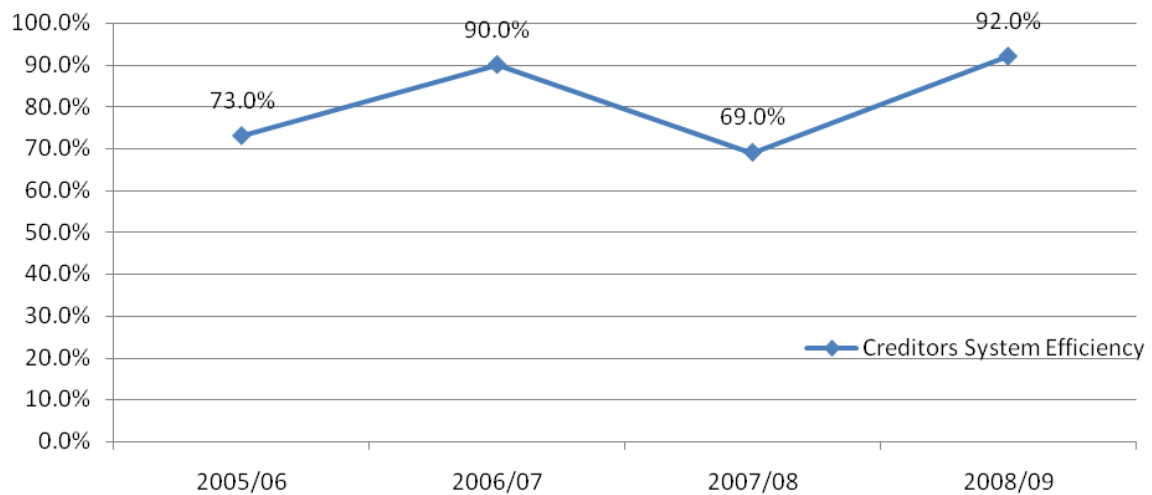


Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

T5.4.4

Creditors System Efficiency

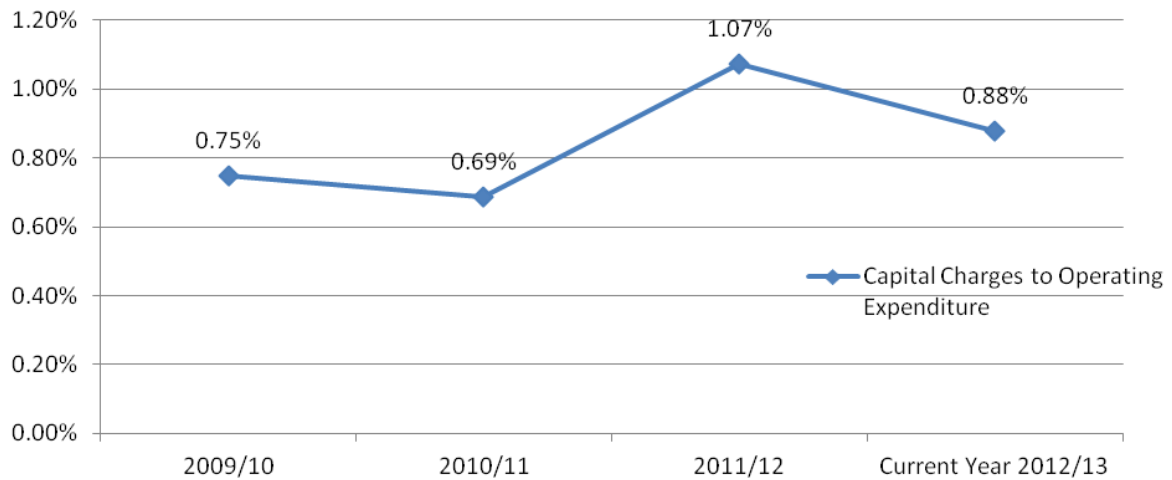


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T5.4.5

Capital Charges to Operating Expenditure

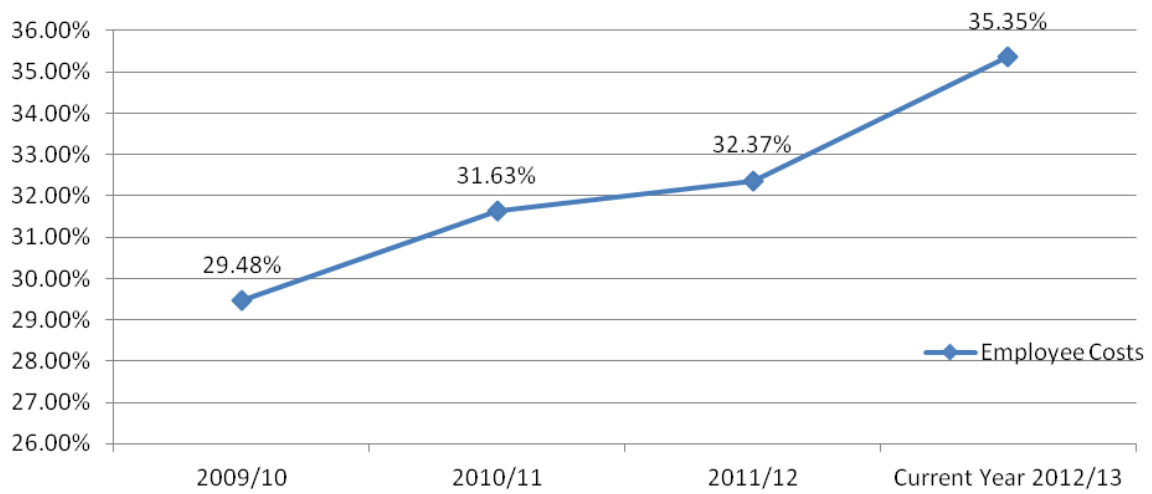


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T5.4.6

Employee Costs

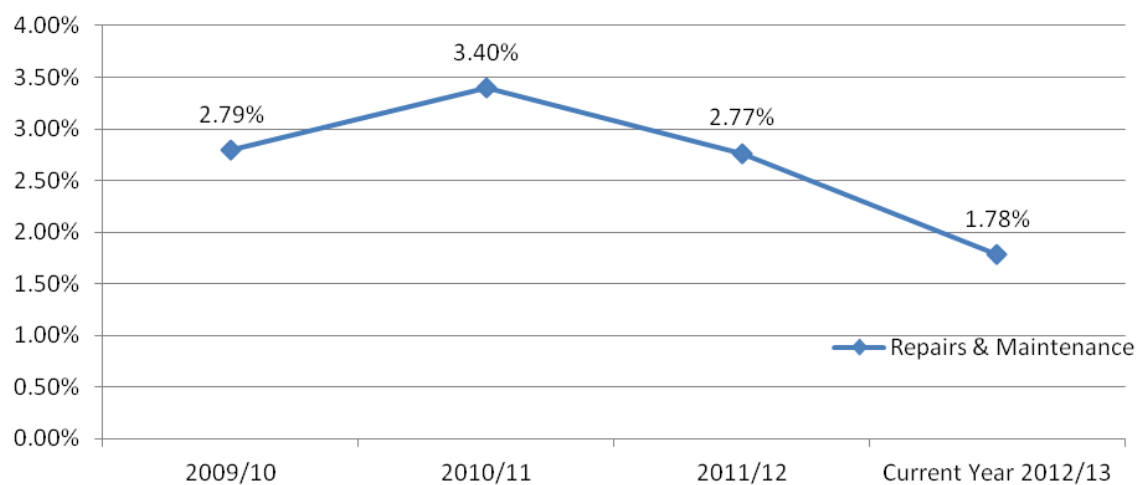


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T5.4.7

Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent on repairs and maintenance and is calculated by dividing the total repairs and maintenance by the total operating expenditure.

Data used from MBRR SA8

T5.4.8

COMMENT ON FINANCIAL RATIOS:

The above financial ratios is an indication that the municipalities debtors days is on the increase on an annual basis, grants are being withheld due to the usage for operational purposes, resulting in the municipality to be financially challenged.

T5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

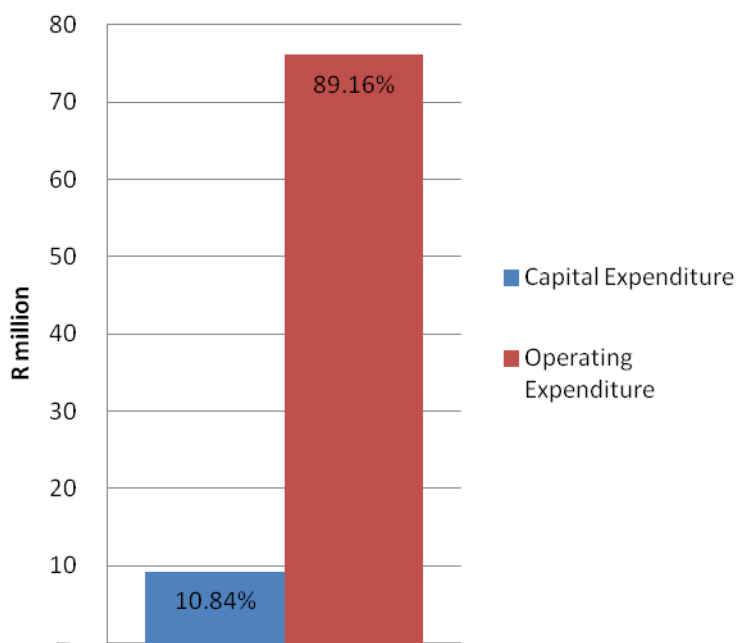
INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure in Ubuntu is fully funded from grants being the MIG and EPWP.

T5.5.0

5.5 CAPITAL EXPENDITURE

Capital Expenditure: 2012/13



T5.5.1

5.6 SOURCES OF FINANCE

COMMENT ON SOURCES OF FUNDING: Sources of funding is Municipal Infrastructure Grant.

Capital Expenditure - Funding Sources Year 0 to Year 1							
R' 000							
Details		2011/12	2012/13				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	0	0	0	0	#DIV/0!	#DIV/0!
	Public contributions and donations	1 766				#DIV/0!	#DIV/0!
	Grants and subsidies	8 944	11 510	11 510	8 718	0.00%	-24.25%
	Other	2 287	1 455	1 455	4 276	0.00%	193.89%
Total		12 997	12 965	12 965	12 994	#DIV/0!	#DIV/0!
Percentage of finance							
	External loans	0.0%	0.0%	0.0%	0.0%	#DIV/0!	0.0%
	Public contributions and donations	13.6%	0.0%	0.0%	0.0%	#DIV/0!	0.0%
	Grants and subsidies	68.8%	88.8%	88.8%	67.1%	0.00%	0.0%
	Other	17.6%	11.2%	11.2%	32.9%	0.00%	0.0%
Capital expenditure						#DIV/0!	
	Water and sanitation	5 181	5 336	5 336	237	0.00%	-95.55%
	Electricity	813				#DIV/0!	0.00%
	Housing					#DIV/0!	0.00%
	Roads and storm water	4 794	4 614	4 614	8 412	0.00%	82.32%
	Other	2 209	3 015	3 015	4 345	0.00%	44.12%
Total		12 997	12 965	12 965	12 994	#DIV/0!	30.89%
Percentage of expenditure							
	Water and sanitation	39.9%	41.2%	41.2%	1.8%	#DIV/0!	-309.3%
	Electricity	6.3%	0.0%	0.0%	0.0%	#DIV/0!	0.0%
	Housing	0.0%	0.0%	0.0%	0.0%	#DIV/0!	0.0%
	Roads and storm water	36.9%	35.6%	35.6%	64.7%	#DIV/0!	266.5%
	Other	17.0%	23.3%	23.3%	33.4%	#DIV/0!	142.8%

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current Year: Year 1			Variance Current Year: Year 1	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Storm Water Project	3 225 872	3 225 872	3 317 180	-3%	0%
B - Project Road Noorder Street	3 500 000	1 977 219	1 750 786	50%	44%
C - Project Road New Bright Street	4 784 128	5 265 723	1 732 206	64%	-10%
D - Installation of Bulketers	-	-	455 094	#DIV/0!	#DIV/0!
E - Services 36 Erven Loxton	-	-	415 901	#DIV/0!	#DIV/0!
* Projects with the highest capital expenditure in Year 1					
Name of Project - A	Storm Water Project				
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - B	Project Road Noorder Street				
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - C	Project Road New Bright Street				

Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	
Name of Project - D	Installation of Bulketers
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	
Name of Project - E	Services 36 Erven Loxton
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	
T5.7.1	

BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW-ZINGANGE

Service Backlogs as at 30 June 2009				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water		%		%
Sanitation		%		%
Electricity		%		%
Waste management		%		%
Housing		%		%
% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.				
T5.8.2				

Municipal Infrastructure Grant (MIG)* Expenditure Year 1 on Service backlogs					
					R' 000
Details	Budget	Adjustments	Actual	Variance	Major conditions

		Budget		Budget	Adjust- ments Budget	applied by donor (continue below if necessary)
Infrastructure - Road transport	4 614	4 614	7 184	-56%	0%	
<i>Roads, Pavements & Bridges</i>	4 614	4 614	3 867	16%	0%	
<i>Storm water</i>	–	–	3 317	#DIV/0!	#DIV/0!	
Infrastructure - Electricity	–	–	–	#DIV/0!	#DIV/0!	
<i>Generation</i>	–	–	–	#DIV/0!	#DIV/0!	
<i>Transmission & Reticulation</i>	–	–	–	#DIV/0!	#DIV/0!	
<i>Street Lighting</i>	–	–	–	#DIV/0!	#DIV/0!	
Infrastructure - Water	–	–	–	#DIV/0!	#DIV/0!	
<i>Dams & Reservoirs</i>	–	–	–	#DIV/0!	#DIV/0!	
<i>Water purification</i>	–	–	–	#DIV/0!	#DIV/0!	
<i>Reticulation</i>	–	–	–	#DIV/0!	#DIV/0!	
Infrastructure - Sanitation	–	–	91	#DIV/0!	#DIV/0!	
<i>Reticulation</i>	–	–	–	#DIV/0!	#DIV/0!	
<i>Sewerage purification</i>	–	–	91	#DIV/0!	#DIV/0!	
Infrastructure - Other	5 336	5 336	–	100%	0%	
<i>Waste Management</i>	5 336	5 336	–	100%	0%	
<i>Transportation</i>	–	–	–	#DIV/0!	#DIV/0!	
<i>Gas</i>	–	–	–	#DIV/0!	#DIV/0!	
Other Specify:	1 560	1 560	56	96%	0%	
<i>Cemeteries</i>	1 560	1 560	12	99%	0%	
<i>Landfill Sites</i>	–	–	44	#DIV/0!	#DIV/0!	
				#DIV/0!	#DIV/0!	
Total	11 510	11 510	7 331	36%	0%	

* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T5.8.3

COMMENT ON BACKLOGS:

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Daily cashflow management are performed within the finance department. However it remains a challenge with HOD not provided priority and needs list thus purchases are just authorised as and when leaving the finance department to “sort out” the payment. The municipality has been challenge through the cause of the financial year but always managed to pay it statutory obligations timeously.

T5.9.0

5.9 CASH FLOW

R'000				
Description	2011/12	2012/13		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	36 711	39 824	39 824	28 475
Government - operating	18 710	20 785	20 785	21 480
Government - capital	9 822	11 510	11 510	12 501
Interest	1 929	2 180	2 180	2 341
Dividends	–	–	–	–
Payments				
Suppliers and employees	(56 885)	(70 730)	(70 730)	(54 882)
Finance charges	(851)	(650)	(650)	(972)
Transfers and Grants	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	9 436	2 918	2 918	8 944
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	154	225	225	2
Decrease (Increase) in non-current debtors	–	–	–	–
Decrease (increase) other non-current receivables	(215)	–	–	(355)
Decrease (increase) in non-current investments	(97)	(60)	(60)	(95)
Payments				
Capital assets	(12 997)	(12 965)	(12 965)	(9 061)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(13 154)	(12 800)	(12 800)	(9 509)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	–	–	–
Borrowing long term/refinancing	1 156	–	–	–
Increase (decrease) in consumer deposits	15	12	12	31
Payments				
Repayment of borrowing	(451)	(236)	(236)	(378)
NET CASH FROM/(USED) FINANCING ACTIVITIES	720	(224)	(224)	(346)

NET INCREASE/ (DECREASE) IN CASH HELD	(2 998)	(10 106)	(10 106)	(912)
Cash/cash equivalents at the year begin:	3 486	(15 133)	(15 133)	488
Cash/cash equivalents at the year end:	488	(25 239)	(25 239)	(423)
Source: MBRR SA7				T5.9.1

COMMENT ON CASH FLOW OUTCOMES:

The municipality did not approve an adjustment budget in 2012/2013 thus not changes for the year under review.

T5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

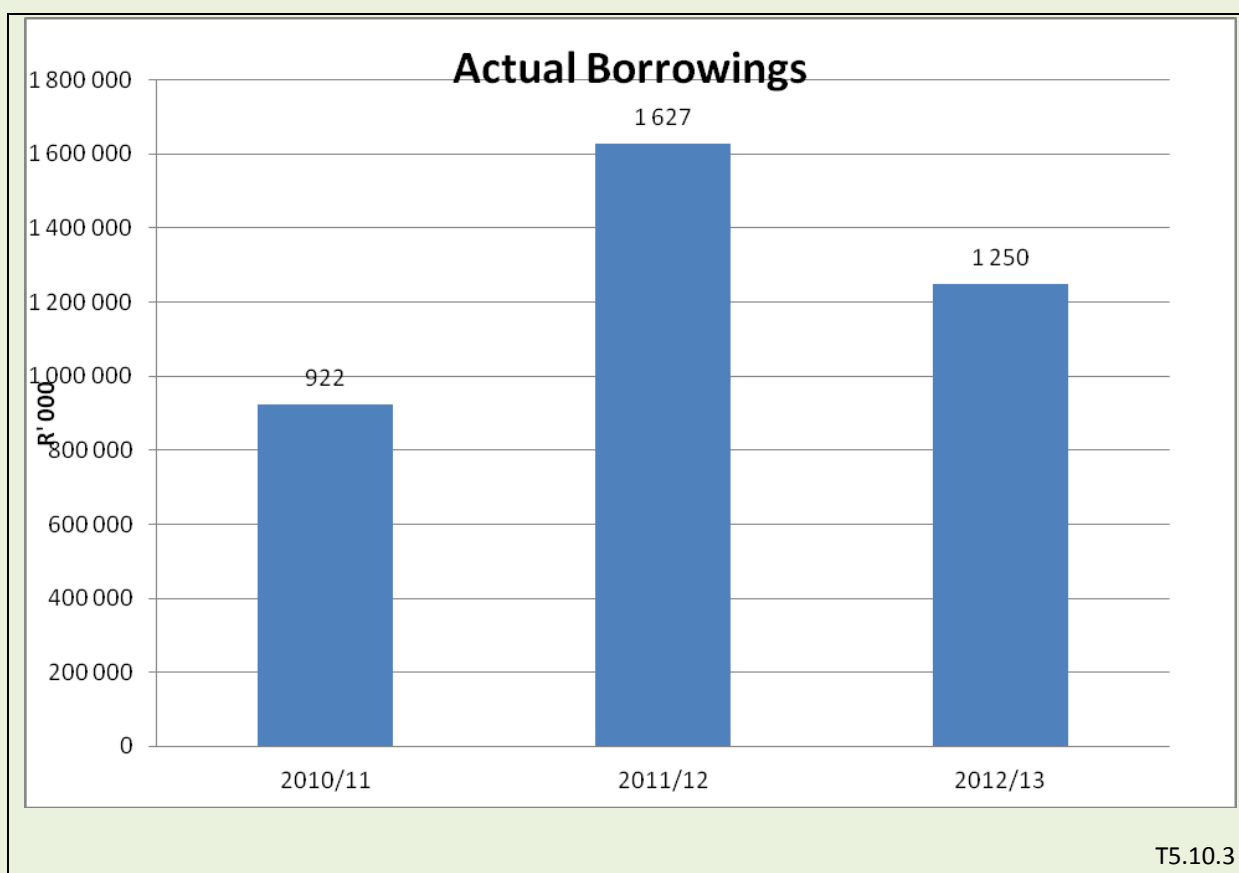
The municipality only has one loan from the previous Richmond Municipality with DBSA. The loan has been restructured in 2013/2014. No new loans were taken up.

The municipality has two fixed term investments and call accounts with FNB.

T5.10.1

Actual Borrowings Year 2010/11 to 2012/13			
	R' 000		
Instrument	2010/11	2011/12	2012/13
Municipality	922	1 627	1 250
Long-Term Loans (annuity/reducing balance)	750	597	423
Long-Term Loans (non-annuity)	-	-	-
Local registered stock	-	-	-
Instalment Credit	-	-	-
Financial Leases	172	1 030	827

PPP liabilities	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-
Marketable Bonds	-	-	-
Non-Marketable Bonds	-	-	-
Bankers Acceptances	-	-	-
Financial derivatives	-	-	-
Other Securities	-	-	-
Instrument	2010/11	2011/12	2012/13
<u>Municipal Entities</u>			
Long-Term Loans (annuity/reducing balance)	-	-	-
Long-Term Loans (non-annuity)	-	-	-
Local registered stock	-	-	-
Instalment Credit	-	-	-
Financial Leases	-	-	-
PPP liabilities	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-
Marketable Bonds	-	-	-
Non-Marketable Bonds	-	-	-
Bankers Acceptances	-	-	-
Financial derivatives	-	-	-
Other Securities	-	-	-
Entities Total			
T5.10.2			



Municipal and Entity Investments			
	R' 000		
Investment* type	2010/11	2011/12	2012/13
	Actual	Actual	Actual
<u>Municipality</u>			
Securities - National Government	-	-	-
Listed Corporate Bonds	-	-	-
Deposits - Bank	1 425	1 522	1 617
Deposits - Public Investment Commissioners	-	-	-
Deposits - Corporation for Public Deposits	-	-	-
Bankers Acceptance Certificates	-	-	-

Negotiable Certificates of Deposit - Banks	-	-	-
Guaranteed Endowment Policies (sinking)	-	-	-
Repurchase Agreements - Banks	-	-	-
Municipal Bonds	-	-	-
Other	-	-	-
Municipality sub-total	1 425	1 522	1 617
<u>Municipal Entities</u>			
Securities - National Government	-	-	-
Listed Corporate Bonds	-	-	-
Deposits - Bank	-	-	-
Deposits - Public Investment Commissioners	-	-	-
Deposits - Corporation for Public Deposits	-	-	-
Bankers Acceptance Certificates	-	-	-
Negotiable Certificates of Deposit - Banks	-	-	-
Guaranteed Endowment Policies (sinking)	-	-	-
Repurchase Agreements - Banks	-	-	-
Other	-	-	-
Entities sub-total			
Consolidated total:	1 425	1 522	1 617
T5.10.4			

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

Ubuntu don't have Public Private Partnerships in place

T5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

A draft policy has been development with the assistance of the SCM unit in Provincial Treasury, however few shortcomings has been raised by the AG. The policy will be further developed. The municipality does not have a standalone unit and functions are decentralised.

T5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

The municipality is fully GRAP Compliant.

T5.13.1

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2012/2013

6.1 AUDITOR GENERAL REPORTS 2012/2013

Auditor-General Report on Financial Performance Year 0	
Audit Report Status*:	Unqualified
Non-Compliance Issues	Remedial Action Taken
See audit report	OPCAR developed and monthly meeting are being held with HODS and staff members.
<i>Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i>	
T6.1.1	

COMPONENT B: AUDITOR-GENERAL OPINION 2008/09

6.2 AUDITOR GENERAL REPORT 2012/13

Auditor-General Report on Financial Performance Year 1*	
Status of audit report:	Unqualified
Non-Compliance Issues	Remedial Action Taken
See audit report	OPCAR developed and monthly meeting are being held with HODS and staff members.

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS 2012/2013

Delete Directive note once comment is complete – See report Attach

T6.2.3

COMMENTS ON AUDITOR-GENERAL'S OPINION 2012/2013

The municipality welcomes the report and believes in further progress.

T6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES: Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief financial officer states that these data sets have been returned according to the reporting requirements/ with the exception of those items and for those reasons given to both Provincial and National Treasury.

Signed (Chief financial Officer)..... Dated

T6.2.5

APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

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Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution		
Building regulations		
Child care facilities		
Electricity and gas reticulation		
Firefighting services		
Local tourism		
Municipal airports		
Municipal planning		
Municipal health services		
Municipal public transport		
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other		
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related		
Stormwater management systems in built-up areas		
Trading regulations		
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems		
<i>Continued next page</i>		

Continued from previous page

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 5, Part B functions:		
Beaches and amusement facilities		
Billboards and the display of advertisements in public places		
Cemeteries, funeral parlours and crematoria		
Cleansing		
Control of public nuisances		
Control of undertakings that sell liquor to the public		
Facilities for the accommodation, care and burial of animals		
Fencing and fences		
Licensing of dogs		
Licensing and control of undertakings that sell food to the public		
Local amenities		
Local sport facilities		
Markets		
Municipal abattoirs		
Municipal parks and recreation		
Municipal roads		
Noise pollution		
Pounds		
Public places		
Refuse removal, refuse dumps and solid waste disposal		
Street trading		
Street lighting		
Traffic and parking		
* If municipality: indicate (yes or No); * If entity: Provide name of entity		T D

Revenue Collection Performance by Source						
						R '000
Description	200708	2008/09			2008/09 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	26,485	23,572	28,075	23,042	-2.30%	-21.84%
Property rates - penalties & collection charges	8,541	8,285	9,054	8,456	2.02%	-7.07%
Service Charges - electricity revenue	12,355	10,254	12,478	13,219	22.43%	5.61%
Service Charges - water revenue	14,232	13,235	13,662	12,097	-9.41%	-12.94%
Service Charges - sanitation revenue	6,542	5,496	5,954	6,346	13.40%	6.19%
Service Charges - refuse revenue	1,865	1,622	1,865	1,510	-7.41%	-23.46%
Service Charges - other	5,643	5,530	5,925	5,304	-4.26%	-11.70%
Rentals of facilities and equipment	5,643	5,530	5,925	5,304	-4.26%	-11.70%
Interest earned - external investments	5,322	4,470	5,747	4,630	3.45%	-24.14%
Interest earned - outstanding debtors	8,455	8,455	8,624	9,554	11.50%	9.73%
Dividends received	1,254	1,003	1,191	1,354	25.93%	12.04%
Fines	2,516	2,063	2,264	2,340	11.83%	3.23%
Licences and permits	6,846	6,230	7,256	6,640	6.19%	-9.28%
Agency services	12,546	10,413	11,793	11,542	9.78%	-2.17%
Transfers recognised - operational	2,355	2,190	2,425	2,402	8.82%	-0.98%
Other revenue	48,542	40,776	48,542	46,115	11.58%	-5.26%
Gains on disposal of PPE	4,565	3,698	4,337	4,291	13.83%	-1.06%
Environmental Protection	5,649	4,971	6,157	4,971	0.00%	-23.86%
Total Revenue (excluding capital transfers and contributions)	179,353	157,791	181,274	169,118	6.70%	-7.19%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						
						T K.2